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FIRST ANNUAL REPORT

OF THE

BOARD OF MANAGERS

OF THE

Delaware, Lackawanna & Western Rail-Road Co.

TO THE STOCKHOLDERS.

JANUARY, 1854.

New-York:
COLLINS, BOWNE & CO. PRINTERS AND STATIONERS,
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MANAGERS.

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JOHN J. PHELPS.
WILLIAM E. DODGE,
GEORGE BULKLEY,
JOHN I. BLAIR,
GEORGE W. SCRANTON,
ROSWELL SPRAGUE,
THOMAS TILESTON,
MOSES TAYLOR,
JOHN BRADLEY, of New Haven.

STANDING COMMITTEES.

Executive Committee.

DRAKE MILLS,
GEORGE BULKLEY,
WM. E. DODGE,
ROSWELL SPRAGUE,

Finance Committee.

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REPORT.

In presenting their first printed Report, the Board of Managers of the Delaware, Lackawanna and Western Rail-Road Company consider it due, not only to the Stock-holders, in view of their large pecuniary interest, but also to the public, on account of the magnitude of the enterprise, to refer briefly to its past history, as well as to give a statement of its present condition and future prospects.

On the location of the New-York and Erie Rail-Road through the Susquehanna Valley, the project was first started of reaching the rich mineral deposits of the Lackawanna and Wyoming Valleys, constituting "The great Northern Coal Basin" of Pennsylvania, by a locomotive rail-road, extending from Scranton north-westerly, through Ligget's Gap to Great Bend. Soon afterwards, the more formidable scheme was entered upon, of finding an outlet, south-easterly, through the Cobb's and Delaware Water Gaps, in the direction of New-York.

The Charter for the Ligget's Gap Rail-Road, embracing that portion of the Company's present line extending from the Lackawanna Coal Basin, at Scranton, to its junction with the New-York and Erie Road, at Great Bend, had been obtained; and the Company was organized, (the capital having been mainly subscribed by a few of the present Stock-holders,) in the winter of 1850.

The construction of the road was commenced the following Spring, under the immediate supervision of Col. George W. Scranton, who, for that purpose, was appointed General Agent of the Company,* and on October 20th, 1851, it was so far completed as to be open for traffic.

* It is due to Col. Scranton, and also to his associates, proprietors of the extensive *Iron Works at Scranton*, under the late special partnership firm of

To provide the additional means requisite to finish and equip the road, and for opening and improving the coal lands, &c., further subscriptions to the capital stock were received, and the $900,000 of the mortgage bonds authorized by the Charter, were issued; all of which were taken by the original subscribers.

By an Act of the Legislature, passed April, 1851, the corporate name of the Company was changed to "The Lackawanna and Western Rail-Road Company."

The Charter of the Delaware and Cobb's Gap Rail-Road Co., for a rail-road from Scranton, through Cobb's Gap, to the Delaware River, bears date April, 1849, and the Company was organized in December, 1850.

By an Act, approved March 10th, 1853, the two Companies were consolidated under the name of "The Delaware, Lackawanna and Western Rail-Road Company," and measures were immediately adopted to construct the Road from Scranton to the Delaware River; the necessary surveys having been previously made by E. McNeill, Esq., Chief Engineer of the Company. Books were opened for subscriptions to increase the capital stock, which at the date of the consolidation amounted to $1,441,000, and such was the confidence felt in the success of the enterprise, not only by the original Stock-holders, but by other capitalists, that the whole sum required, $1,500,000, was taken in a few days.

As a matter of convenience in keeping the accounts, the entire line of the road was divided into two sections—the Northern and Southern Divisions; the former extending from Scranton to Great Bend, a distance of 50 miles; and the latter, extending south-easterly to the point of junction with the New Jersey Rail-Roads on the Delaware River, five miles below the Water Gap, 61 miles in length.

Scrantons and Platt, (now the Lackawanna Iron and Coal Company,) to acknowledge the large indebtedness of this Company to those gentlemen for the *very efficient and* valuable aid rendered by them in the organization and prose*cution of this enterprise* up to the commencement of the fiscal year, now just *closed.*

NORTHERN DIVISION.

With a view to derive an income from the works at the earliest possible day, some small sections of this division were passed by temporary structures; the most important of which, were the switch over Tunkhannock Mountain, and the trestles across Factoryville and Humphrey's Hollows. The switch will be abandoned for a direct route through the tunnel, in April, and the embankments across the hollows are in a satisfactory state of progress. By the former improvement, two miles in distance, and a large amount in transportation expenses will be saved; and by the completion of the latter, increased stability and security to the Company's operations will be attained.

To avoid the danger of an interruption to the business of the road from damage to the smaller trestles by fire, or other causes, the Board of Managers have resolved to have them all filled by embankments before the completion of the southern division; when the line, in point of solidity and capacity for traffic, will compare favorably with any other single track road in the State.

The total cost of the Northern Division, up to December 31st, 1853, including engineering, land for depots, right of way, grading, bridging, superstructure, station houses, machine and car shops, car houses, contingent and office expenses, &c. &c., and the amount expended towards the construction of the Tunnel, is $2,162,048 75.

The cost of the Equipment of the Road, comprising the following, viz:

13 Locomotive Engines,* 10 Passenger and Baggage Cars, 60 House and Platform Freight Cars, 854 Coal Cars; ma-

* In addition to the motive power here reported, the Company have now nearly completed a model engine of great power, constructed for burning Anthracite coal; and should their anticipations, in this respect, be realized, they design at once to order several more of the same character. Coal-burning engines are now in successful operation on the Reading and other roads, and it is believed that they will soon come into very general use, thereby causing a large increase in the consumption of Anthracite coal, and at the same time effecting a vast saving in the cost of fuel, no small item in the running expenses of all Rail-Roads.

chinery and tools in the machine and car shops, at Scranton, and some other smaller items, is $395,724 64.

ORGANIZATION.

For the more convenient management of the business of the Company, on the line of the works, the several branches have been divided into four distinct departments, each of which is placed under a Head, subject to the President and Board of Managers. These departments and the names and titles of the Officers now in charge of them respectively, are as follows:

Departments.	*Names of Officers.*	*Titles.*
CONSTRUCTION,	Edwin McNeill,	Chief Engineer.
TRANSPORTATION,	D. H. Dotterer,	Superintendent.
COAL DEPARTMENT,	J. J. Albright,	General Coal Agent.

MACHINE AND CAR SHOPS, under the supervision of D. H. Dotterer, Superintendent.

OPERATIONS OF THE PAST YEAR.

CONSTRUCTION DEPARTMENT.—Besides the work done on the Southern Division, and in constructing the great tunnel, and filling in the high trestles over the hollows in the Northern Division, there have been erected a commodious passenger car-house at Scranton, a station house at Oakley's Station, two large wood sheds, one at Clark's Summit, and the other at Tunkhannock, and about five miles of second track laid, for turn-outs, sidings, &c.

MACHINE AND CAR SHOPS.—Besides making provision for all the ordinary repairs of the locomotives and cars in use on the Rail-Road, and the machinery and mine cars in the use of the Coal Department, in view of the very favorable location of the village of Scranton, for such purposes, and the facilities afforded for procuring ample supplies of iron, and the various kinds of lumber and other materials necessary, the Board of Managers early made arrangements for the erection at that place, of capacious buildings for Shops, and

supplying them with the necessary tools and machinery for the manufacture of cars, of which it was foreseen that a large additional number would soon be required.

According to the Report of the Clerk of the Shops, transmitted by the Superintendent, the amount of work done, (labor and materials,) during the year, was $124,048 98, divided as follows, viz:

Transportation expenses, for repairs of engines and cars, including oil, tallow, and waste, used in running the trains, &c.....	$24,424 92
Northern Division, (Construction,) for repairs of engines and gravel cars, employed at the tunnel, clearing cuts, filling in trestle work, erecting the new car house, &c. at Scranton, also including 42 new single, and 24 double gravel cars,.....	15,239 09
General Expenditure, for the following new cars built, viz:	
1 Second Class Passenger Car, 12 House Freight Cars, 11 Platform Freight Cars, 12 Platform Dump Freight Cars, 240 4-wheel Coal Cars, 5 8-wheel Coal Cars, 2 Wood Cars, 3 Caboose Cars,.....	69,891 58
Work done for the Coal Department, and for Contractors on the Southern Division, &c.,.....	14,493 39
	$124,048 98

The cost of the machinery and tools in the Shops, is $29,055 05.

The value of the stock of materials on hand, on 31st Dec. 1853, as per Inventory, was $44,796 77.

TRANSPORTATION DEPARTMENT.—The completed portion of the Line, being the Northern Division, has been successfully operated during the past year, under the careful superintendence of D. H. Dotterer, Esq. The trains have been run with great regularity, and without loss of life or material

injury to any passenger, or the occurrence of any other serious accident.

During the year, 43,726 passengers, and about 100,000 tons of anthracite coal, 10,000 tons of iron, and 34,000 tons of other freight, have been transported over the road.

The gross earnings from this branch of the Company's business, during the year, as shown in detail by the accompanying tables were,..... $191,920 61

Deduct the total expenses of operating and repairs of road, repairs of machinery and cars, superintendence, &c., ... 95,633 65

Balance, being the nett revenue, to the credit of the general Income Account of the Company, $96,286 96

COAL DEPARTMENT.

As the Charter of the Company limits them to the possession of 1,000 acres of coal lands, care was taken at an early day, to secure some of the choicest tracts in the valley, lying in the immediate vicinity of their principal depot, at Scranton. The amount expended in the purchase of these lands, the cost of opening mines, and erecting the necessary machinery and fixtures for working them, and preparing the coal for market, including also the expense of sundry improvements at other places, for stocking and shipping coal, is $145,422 01.

During the past year the steam power coal breaker, at the Diamond Mines, (commenced in 1852,) has been completed and put into operation. Additional screens and schutes, and other apparatus for preparing the coal for use, and loading it in cars, have been erected, the importance of which will be stated hereafter

Contracts have been made for sinking two slopes and a shaft near the present openings, at the Diamond Mines, for the purpose of reaching the lower and larger veins, and considerable progress has been made in the work. The necessary engines and other machinery for working these new openings are all being built.

At the commencement of their coal operations, and until about January, 1853, the Company worked their own Mines, but it was subsequently deemed expedient to have this work done by contract. Accordingly, an agreement was entered into on 1st of April last, with Mr. Thompson Peckens, and his associates, for working the Mines of the Company, for the term of five years; the Company paying him stipulated prices per ton, for coal mined, prepared and loaded into the transportation cars; and the contract has thus far been performed to the satisfaction of the Board.

The stock of coal on hand on 31st of December, 1852, (see annexed exhibit "E.,") was ..... 10,718,02 tons.

During the past year, there were taken from the Diamond Mines.....	75,347,03		
Purchased from other parties ...	21,890,17	97,238,00	"
		107,956,02	"
Of which sales were made to the extent of..		103,931,05	"
Leaving the stock on hand, Dec. 31, 1853,..		4,024,17	"

The total sales of coal, as above stated, produced the gross sum of		$358,191	46
and the estimated value of the stock remaining on hand, Dec. 31, 1853, was.....		9,117	15
		$367,308	61
The value of coal on hand, Dec. 31, 1852, was estimated to be	$36,553 99		
The total expenses of mining, transportation, repairs of fixtures, superintendence, &c. during the year, was	254,809 53	291,363	52
Showing the nett revenue from this department to be.....		$75,945	09

As is common to all new enterprises of this nature, some embarrassment has arisen from want of experience; and in the commencement of the Company's operations, not having

the necessary apparatus for preparing their coal in a proper manner, they were under the necessity of forwarding it to market in the condition in which it came from the mines. In consequence of this, a prejudice was created in the minds of some consumers against the *quality* of the coal, but the managers feel assured that they have now removed the difficulties heretofore encountered in this branch of their operations. They have not only succeeded in reaching the best veins of coal, but by the erection of steam coal breakers, and revolving screens, for preparing it, and extensive pockets and schutes for loading it into the cars, they now possess every facility for shipping it in the best possible order.

Besides the openings already made, and the two new slopes and shaft now being constructed at the Diamond mines, the Board have resolved to proceed at once to the erection of similar works on the Griffin farm.

The results of the past year's business, with the product of less than 100,000 tons of coal, have been already stated. It is the intention of the Board to increase the amount in 1854 to 200,000 tons, and arrangements have been made accordingly. Judging from the sales already effected, and the constantly increasing demand, it is believed that the whole amount may be disposed of at satisfactory prices.

In view of the large prospective demand for our Coal, and the necessity of making timely arrangements for supplying the same, and in order not only to ascertain the quantity of coal on the lands, but also to establish its quality, the Board have recently had the whole most thoroughly surveyed, both by Mr Needham, Mining Engineer, and Prof. H. D. Rogers, State Geologist of Pennsylvania, the results of which are, in all respects, highly satisfactory.

From the very elaborate and interesting report of Professor Rogers, which has recently been published in Boston, copious extracts, together with a cut representing a section of one of the coal measures will be found appended hereto. See page 33.

Mr. Needham having made very careful surveys, borings

and other minute examinations, has furnished plans, sections and reports, (see page 31,) in the accuracy of which the Board have great confidence. From both these surveys it will appear that the quantity of minable Coal on the Company's lands will exceed FIFTY MILLIONS OF TONS; that the different veins are adapted, respectively, to the various purposes of generating steam, smelting and manufacturing iron, and for all other manufacturing and domestic uses; and that the *quality* for all these various purposes is fully equal to any other coal produced.

Should the supply of coal from the Company's mines at any time prove inadequate to the capacity of the road, ample quantities will be offered by the proprietors of other colleries in the vicinity. In addition, the Lackawanna and Bloomsburg R. R., soon to be built, will open to market every coal field in the Wyoming valley, including the valuable red ash coal of Plymouth, by the shortest and most favorable route to tide water. Upon the completion of the Southern Division, and the connections now in progress, Coal may be transported from the mines at Scranton and Wilkesbarre to Elizabeth Port, or Jersey City, opposite New-York, in 10 hours time. An order may be given by telegraph in the morning, and the Coal delivered at tide water the same evening—*and at all seasons of the year.*

FINANCIAL CONDITION.

The financial condition of the Company at the close of the year is shown by the following condensed statement—the details being given in the annexed balance sheet and accompanying tables prepared by the Treasurer.

DR.

Cost of construction and equipment of the Rail-Road, as already stated,	$2,737,839 45
Cost of coal lands and improvements thereon, see page 8,	145,422 01
Amount carried forward,	$2,883,261 46

Amount brought forward,		$2,883,261 46
Cash on hand and on call, provided for payment of interest on bonds and stocks, 1st January,		90,035 38
Cost of materials on hand, including wood for fuel, and the stock of materials at the shops		51,136 12
Coal on hand, 4,024 7-20 tons,		9,117 15
Bills and accounts receivable,		184,398 19
		$3,217,948 40

Cr.

By capital stock, amount paid in,	$1,958,507 50	
" Mortage bonds,	900,000 00	
" Bills and accounts payable,	224,797 21	
" Interest due on bonds 1st January, 1854,	31,500 00	
" Interest due on stock, payable 10th January, 1854,	70,247 03	$3,185,051 74
Showing a balance of		$32,896 66

being the amount of profits of the last years' transportation and coal business, after paying all expenses, interest on bonds and on the stock from date of consolidation.

It will be remembered that in order to induce a more ready subscription to the increased capital stock, it was agreed by the Stock-holders at their meeting in March last, that they would waive a credit of interest on their stock, from the 8th March, 1852, to 1st May, 1853, thus giving the new subscribers a corresponding advantage. The results of the past year have fully equalled the expectations of the Board; although, in consequence of numerous breaks in the Erie Canal and the burning of a steamboat employed in towing, on Cayuga Lake, a less quantity of coal was got to market than was intended.

In pursuance of the provisions of the act of consolidation (which authorizes the payment of interest to the Stock-holders *their stock* until the completion of the entire line of the

Road, and the charging of such interest to the cost of Construction—all of the earnings of the Company meanwhile to be credited to the same account), the Board resolved to pay interest at the rate of six per cent. per annum on the stock up to the 31st December, 1853, as follows, viz: On all of the old (Lacka. & Western) stock, from May last, and on the several instalments paid in on the new subscriptions; from the dates when received.

After providing for this interest on the stock, and the accrued interest on the bonds, there is left a balance of $32,896 66,—equal to nearly two per cent. on the whole capital paid in, which, instead of being divided among the Stock-holders, is required to be appropriated to the construction of the road, as above stated.

SOUTHERN DIVISION.

This section of the road extends from Scranton through Cobb's Gap and the Delaware Water Gap to a point on the Delaware River 5 miles below the Water Gap, a distance of 61 miles, where it connects with the Warren Rail-Road of New Jersey.

Anticipating a very large business on this division of their road, the Board of Managers resolved to grade, bridge, and do the masonry for a double track, all in the most substantial and permanent manner; consequently, no trestles or other temporary structures are to be erected. In order to secure a satisfactory grade, and to avoid high and long bridges, it was deemed expedient to pass two small sections by tunnels.

In reference to the very favorable line and grades secured, it is due to our indefatigable Chief Engineer, to state, that he devoted many months of almost incessant labor in obtaining crest-line and other preliminary surveys of the whole region, before adopting the present route; which the Board of Managers are satisfied is the *best*, if not the only practicable one, for a road of heavy traffic, from the Lackawanna and Wyoming Vallies, to tide-water, in the direction of New-York.

(See Mr. McNeill's report, page 23.)

This division was put under contract in June last, the work was immediately commenced, and is now under good progress. The iron rails and chairs have been contracted for, on favorable terms.

It was the intention of the Board of Managers, at first, to have this division ready for operation within the present year, but several causes have concurred to postpone its completion. It may now be safely assumed that the entire line will be in operation on or before the first day of June, 1855.

The amount expended towards the construction of this division, up to the close of 1853, was $180,066 06.

It will be seen from the foregoing, that the total amount expended in the construction and equipment of the whole Road, is as follows:

Northern Division, ...	$2,162,048 75
General Expenditure, for Equipment, &c.	395,724 64
Southern Division, ...	180,066 06
	$2,737,839 45

For the grades, capacity, &c. of this Division, see the annexed report of the Chief Engineer.

CONNECTING LINES.

EASTERN AND SOUTH-EASTERN.—The direct route to New-York from the south-eastern terminus of the Southern Division will be by the Warren R. R., 18 miles to New Hampton Summit, and thence by the Central Rail-road of N. J. via Elizabethport; or via Elizabethtown and New Jersey R. R. to Jersey City.

Favorable contracts for doing the business of this Company have been entered into with these two Companies (the Warren and Central); the latter Company having agreed to lay an extra rail conforming to the guage of this Road. It is further provided that a second 6 ft. track shall be laid whenever the freight from this Company shall amount to 400,000 tons per annum.

As the Warren Rail-road crosses the Morris Canal at a favorable point for the tran-shipment of coal, it is expected that a considerable portion of coal business during the summer season will be done through this channel.

The Board also entertain hopes of supplying the Morris and Essex R. R. Company with coal for the Eastern market, and to meet the large demand for the manufacture of iron, and for other purposes upon the line of that Road.

It is further anticipated that the Trenton and Belvidere R. R. Company will extend their Road from Belvidere to the south-eastern terminus of our Road, a distance of four miles, and thus open a direct communication between Northern New-York, the Lakes and Canada, and Trenton, Philadelphia, and the South. The addition of a single rail to the point of its junction with the Feeder of the Delaware and Raritan Canal, will open another great avenue by a *descending grade* to tide-water; whence coal, lumber, &c., may be shipped by the large propellers and barges of that Company to the eastern markets.

Still another, and very important connection is anticipated from the continuation of the Philadelphia, Easton and Water Gap R. R. from Easton to the Water Gap, the privilege of doing which, with a 6 ft. guage, was granted to that Company at the last session of the Pennsylvania Legislature. This would open a 6 ft. guage road from Philadelphia, by the most *direct route*, and *easiest grades*, to every section of Western New-York and the Northern Lakes. Its great importance to Philadelphia, and the South generally, will doubtless secure for it an early completion.

In addition to the foregoing, the Hudson and Delaware R. R. extending from Newburg to the Water Gap has been located, and the section between Chester and Newburg has been constructed as a branch of the Erie road. The construction of the Providence, Hartford and Fishkill R. R., now in progress, renders this connection of vast importance; and it is a reasonable supposition, that it will be made at no distant period.

WESTERN AND SOUTH-WESTERN CONNECTIONS.—Referring to the accompanying report of the Chief Engineer, in which these are noticed at length, or to the report of the Lackawanna and Bloomsburg R. R. Company, recently published, the irresistible inference to be drawn therefrom, is: That the Sunbury and Erie, the Alleghany Valley, and the Lackawanna and Bloomsburg R. R. connecting with this Road at Scranton, will secure to New-York her nearest and best channel of communication with the West and South-west, and to this Road, the many positive advantages claimed for it; among which may be named as worthy of especial attention, the great facilities which its construction will furnish the Company for extending indefinitely their coal business, and for its safe and economical management.

NORTHERN AND NORTH-WESTERN CONNECTIONS.—At Great Bend, 186 miles from New-York by this route, the Delaware, Lackawanna and Western R. R., connects with the New-York and Erie, over which, by a perpetual contract, its freight and coal trains, and passengers are conveyed on favorable terms, both East and West.

At Binghamton, 14 miles West of Great Bend, the first tributary to this Road—the Syracuse and Binghamton R. R.*—branches off, constituting a link in the most direct route from Philadelphia and New-York, to Syracuse, Oswego, and the Canadas, and this must soon become an important channel for the distribution of coal and iron. The character and importance of this connection may be best learned by reference to the interesting report just published by the Directors of that Company, from which liberal extracts are appended.† (See page 45.)

The Albany and Susquehanna, and the Utica and Binghamton Rail-Roads, also diverging from the Erie at this point (the former now in the course of construction), cannot fail to contribute largely to the traffic of this Company, forming additional outlets for coal, &c.

*This Road is now graded ready for the superstructure, and the Company expect to have it open for business early in the ensuing fall.

† The Iron Rails for this Road have been purchased, and are to be immediately *id.*

Large quantities of the Company's coal are at present tran-shipped at Binghamton, upon the boats of the Chenango Canal, and thence forwarded to Utica and other points on the eastern section of the Erie Canal. The rich iron ore beds of Clinton, which furnish supplies for the Iron Works at Scranton, and the gypsum and limestone from other places on the Chenango Canal, afford valuable back freight for both the boats and the Company's cars.

Proceeding westerly 22 miles from Great Bend on the Erie Road to Owego, the next connection in order and importance, (if not the first in the latter respect), is the Cayuga and Susquehanna R. R. extending 34 miles northward from that place to Ithaca, at the head of Cayuga Lake, at which point is the present principal Coal depot of the Company, from whence its coals are tran-shipped into boats and distributed by the various New-York Canals and the Lakes. Large quantities of salt, flour, and other supplies required in the Lackawanna Valley, are here offered as return freight by the Company's coal and other freight trains. A Canal from the outlet of this Lake to Great Sodus Bay on Lake Ontario, is in progress, and its projectors and friends are now sanguine of its completion at an early day. The capacity of this Canal will be such, when finished, that the propellers and sailing vessels from the larger Lakes can land their cargoes at Ithaca, and receive in return, Coal destined for Canada and the North-west, direct from the cars of the Company.

Diverging from the Cayuga and Susquehanna R. R. at Pugsley's Station, 8 miles South-easterly from Ithaca, the Auburn and Little Sodus Bay R. R. commences, and passing through Auburn and the rich, fertile country intervening, terminates at Little Sodus on Lake Ontario, thus forming another important communication with Canada and the West. The grading of this Road is nearly completed, and its Managers hope to have it opened for business early in the spring of 1855.

Continuing on the N. Y. and Erie R. R. we meet successively the Elmira, Canandaigua and Niagara Falls R. R.

diverging at Elmira; at Corning, the Buffalo, Corning and New-York R. R.; and at Hornellsville, the Buffalo and New-York City R. R.; at Olean, the Erie and New-York City and other projected routes, and all converging from the West and North-west to Great Bend and New-York.

All these connecting lines being of the broad or 6 ft. guage, form an uninterrupted communication from New-York to their several termini.

It will be seen from the foregoing statements, and by reference to the accompanying map, that the Delaware, Lackawanna and Western Rail-Road forms a great trunk line from the Delaware River, near the Water Gap, to the Susquehanna River at Great Bend, with diverging branches.

Leaving out of view the fact, that this road will be a great channel for the transportation of Coal, its importance as a general freight and passenger road should not be overlooked. From the statements and reports herein contained, it will be seen, that the grades and distances are extremely favorable for freight. Passengers will have an opportunity of visiting that great natural curiosity, the DELAWARE WATER GAP, from which point the road ascends the "POCONO," by easy grades; across the high table lands of which it passes for about twenty miles,—and from which point the view is of extraordinary extent and beauty. Further on, the Wyoming and Lackawanna Valleys possess great attractions for visitors,—and the route generally, it is believed will be a favorite one, for pleasure travel.

All of which is respectfully submitted.

GEORGE D. PHELPS, *President.*

MANAGERS:

DRAKE MILLS,	GEORGE W. SCRANTON,
JOHN J. PHELPS,	ROSWELL SPRAGUE,
WILLIAM E. DODGE,	THOMAS TILESTON,
GEORGE BULKLEY,	MOSES TAYLOR,
JOHN I. BLAIR,	JOHN BRADLEY,

New-York, Jan. 2d, 1854.

THE DELAWARE, LACKAWANNA AND WESTERN RAIL-ROAD CO.

BALANCE SHEET, DECEMBER 31ST, 1853.

PAGE.				
10.	To CONSTRUCTION,			
	Northern Division,	2,162,048 75		
	Southern Division,	180,066 06		
	General Expenditure,	395,724 64		
16.	" COAL DEPARTMENT.—CONSTRUCTION,		2,737,639 45	
	Coal Lands,	102,155 31		
	Opening Mines, Steam Coal Breaker, Mining Fixtures, Coal Yards, Scales, &c,	43,266 70		
			145,422 01	
4.	" CASH.—Amount on hand and on call,		90,035 38	
	" MATERIALS ON HAND,			
58.	Machine Shop,	39,691 69		
62.	Wood, 6890 Cords,	11,444 43		
84.	" COAL ACCOUNT,		51,136 12	
	4024 17-20 Tons on hand		9,117 15	
30.	" BILLS RECEIVABLE,			
	Due in January, 1854,	34,808 48		
	" " February, "	30,370 83		
	" " March, "	25,877 53		
	" " April, "	699 49		
	" " June, "	35,000 00		
	" ACCOUNTS RECEIVABLE,		126,756 33	
78.	Geo. W. Scranton, General Agent,	1,346 41		
88.	J. J. Albright, Gen'l Coal Ag't, per exhibit "B," Amount outstanding on sales of Coal,	9,254 93		
92.	W. N. Jenks, Agent, per exhibit "C," Amount outstanding for Freight,	14,816 97		
106.	The New-York and Erie Rail Road Co.,	957 90		
108.	The Lackawanna Iron and Coal Co.,	293 25		
110.	Horatio W. Nicholson,	695 10		
119.	Cayuga and Susquehanna R. R. Co.,	2,773 40		
123.	Patchin Bank, Buffalo,	536 53		
158.	Geo. W. Scranton,	330 37		
402.	U. S. Post Office Department,	487 42		
586.	Noyes & Phinney, Contractors,	4,782 00		
586.	M. L. Noyes,	400 04		
586.	Miscellaneous Accounts,	20,967 54	57,641 86	
			$3,217,948 40	

PAGE.				
1.	By CAPITAL STOCK,			
	30,243 Shares paid in full,	1,512,150 00		
	29,720 " on which has been paid,	446,357 50		
	59,963		1,958,507 50	
401.	" MORTGAGE BONDS, payable 1871,		900,000 00	
20.	" BILLS PAYABLE,			
	Due in January, 1854,	30,054 12		
	" February, "	1,742 38		
	" March, "	10,232 00		
	" April, "	22,180 00		
	" July, 1855,	375 30		
	" July, 1856,	45,450 30		
			110,034 10	
	" ACCOUNTS PAYABLE,			
15.	John A. Robinson,	10 00		
18.	John J. Phelps,	13 74		
160.	M. W. Scott,	21 50		
586.	Phelps, Dodge & Co.,	357 85		
131.	" MISCELLANEOUS ACCOUNTS,			
	Due on December Accounts,	93,526 90		
505.	Interest on Bonds, payable January 1st, 1854,	31,500 00		
510.	Ditto " Stock, " " 10th, "	70,247 03		
179.	Mrs. Lucilla S. Silkman,	10,000 00		
179.	Nancy Tripp, due July 1, 1856,	5,000 00		
180.	Sam'l Tripp, " May 1, 1855,	1,000 00		
180.	Benj. S. Tripp, " July 1, 1854, 2,000 00			
	" " 1, 1855, 2,000 00			
	" " 1, 1856, 833 12			
		4,833 12		
			216,510 14	
124.	" INCOME ACCOUNT, per exhibit "A,"		32,896 66	
			$3,217,948 40	

(E. E.)

WM. E. WARREN, Treasurer.

EXHIBIT "A."

INCOME ACCOUNT, 1853.

Credit.

By TRANSPORTATION, per Exhibit "D,"		$96,286 96
COAL ACCOUNT, " "E,"	75,945 09	
Less for new openings made,	2,205 93	
		73,739 16
RENTS, collected during the year,		1,042 40
		$171,068 52

Debit.

To 6 mos. INTEREST ON BONDS, due 1st July, 1853,	$31,500 00	
" " " 1st Jan. 1854,	31,500 00	
" " ON STOCK, due 10th Jan. 1854,	70,247 03	
" on Floating Debt, being the general interest account for the year,	4,924 83	
		138,171 86
Leaving a balance of		$32,896 66

To the credit of CONSTRUCTION ACCOUNT, in pursuance of the 6th section of the Act of Consolidation.

EXHIBIT "B."

J. J. ALBRIGHT, *General Coal Agent.*

(*Outstanding Accounts for Sales of Coal.*)

The Cayuga and Susquehanna Rail-Road Company,	$3,083 79	
Agency at Buffalo,	903 26	
" Syracuse, Hatch & Burt, Agents,	1,500 00	
" Ithaca, J. Lippincott, Agent,	466 34	
J. J. Albright, General Coal Agent,	3,316 54	
		9,269 93
Deduct, Amount due Bacon & Prescott, over payment,		15 00
		$9,254 93

EXHIBIT "C."

W. N. JENKS, *Agent.*

(*Amount outstanding for Freight.*)

SCRANTON STATION, E. G. Coursen, Agent,	$3,202 02	
ABINGTON " Norman Phelps, "	195 73	
FACTORYVILLE " U. V. Mace, "	85 52	
TUNKHANNOCK " A. B. Fuller, "	362 43	
MONTROSE " Benj. Case, "	84 88	
NEW MILFORD " S. H. Morse, "	2 18	
GREAT BEND " C. B. Stow, "	11 73	
AMERICAN EXPRESS Co. H. D. Rice, Superintendent,	67 05	
W. N. JENKS, Agent,	10,805 43	
		$14,816 97

EXHIBIT "D."

TRANSPORTATION 1853.

To TRANSPORTATION EXP'S, cost of operating, repairs of road, repairs of machinery, &c.	93,133 65	By FREIGHT EARNINGS, "*a*"	156,102 43
" Proportion of expenses of N. Y. office,	2,500 00	95,633 65	" PASSENGER " "*b*" 33,675 32
" INCOME ACCOUNT: apparent profits for the year,	96,286 96		" TRANSPOR'N OF MAIL, "*c*" 2,142 86
	$191,920 61		$191,920 61

("a")

FREIGHT EARNINGS.

1853.	Coal.	Merchandise.	Express.	Total.
January,	1,206 90	3,253 55	20 31	4,480 76
February,	2,140 36	1,769 27	16 18	3,925 81
March,	5,807 06	1,725 37	19 30	7,551 73
April,	6,948 90	2,599 48	19 95	9,568 33
May,	8,044 25	4,967 31	29 73	13,041 29
6 84 June	9,552 36	4,811 81	31 00	14,395 17
19 22 July,	11,173 12	3,793 63	19 03	14,985 78
August,	14,826 11	4,177 48	20 00	19,023 59
30 21 September,	13,027 29	6,479 75	28 88	19,535 92
80 87 October,	12,164 65	7,917 59	33 25	20,115 49
November,	9,650 66	7,414 61	44 62	17,109 89
877 72 December,	7,453 53	5,862 95	67 05	13,383 53
$1,014 86	$101,995 19	$54,772 80	$349 30	$157,117 29
Less, sundry deductions, overcharges, &c, as stated in left hand margin,				1,014 86
				$156,102 43

("b")

PASSENGER EARNINGS.

1853. *Including Extra Baggage.*

January,	$1,660 85	August,	3,896 71
February,	1,446 31	September,	3,856 91
March,	2,422 99	October,	3,350 89
April,	2,499 59	November,	2,963 86
May,	2,501 34	December,	2,739 95
June,	2,619 33		
July,	3,716 59		$33,675 32

("c")

TRANSPORTATION OF MAILS.

Our contract with the Post Office Department, provides that we are to receive as compensation, $2,500 per annum, less 1-7 for Sundays, omitted, at which rate the amount is, ... $2,142 86

EXHIBIT "E."

1853. COAL ACCOUNT, 1853.

Jan. 1. To Coal on hand this date, 10,718 2-20 tons, valued at		$36,553 99	By COAL SALES, viz: January,	$ 8,324 77	
Dec. 31. To COAL EXP'S, including mining, transportation, coal purchased, superintendence, agents and clerks, repairs of fixtures, &c., &c., &c.	$251,309 53		February,	9,571 85	
			March,	8,396 36	
			April,	13,920 86	
			May,	30,136 68	
			June,	30,248 87	
			July,	37,147 83	
			August,	52,442 36	
			September,	41,039 11	
			October,	50,606 11	
			November,	50,932 21	
			December,	25,424 45	
Proportion of expenses of New-York office	3,500 00				$358,191 46
		$254,809 53			
To INCOME ACCOUNT, Apparent profits for the year		75,945 09	By Coal on hand Dec. 31, 1853: 4,024 17-20 tons, valued at		9,117 15
		$367,308 61			$367,308 61

SUPERSTRUCTURE PER MILE.

Amount brought forward,.....		$1,461,510 63
108 tons rails, at $65, ...	$7,020 00	
10,000 lbs. chairs, at 3 cents, ...	300 00	
4,500 " spikes, " 5½ "	247 50	
2,930 ties, " 25 "	732 50	
Laying track, ...	400 00	
Ballasting track, distributing ties, iron, &c. &c.	800 00	
	$9,500 00	
66 miles Railway superstructure, (turnouts and sidings included,) at $9,500, ...		$627,000 00

BUILDINGS.

Dunnings Station, cost including Water Stations,....	$1,500 00	
Dalesville "	1,500 00	
Turnersville "	1,500 00	
Naglesville "	1,500 00	
Henrysville "	1,500 00	
Stroudsburg "	2,000 00	
Dutotsburg "	1,500 00	
Delaware "	2,000 00	
2 Engine houses,.....	8,000 00	
3 Turn tables,.....	3,600 00	
1 Car house,.....	1,500 00	
8 Wood sheds, ...	4,000 00	
		30,100 00

FURNITURE.

37 Engines, at $11,500, ...	$425,500 00	
8 Passenger Cars, at $2,000, ...	16,000 00	
4 Baggage and Express Cars, at $875,.....	3,500 00	
3000 Coal Cars, at $200, ...	600,000 00	
80 Box Cars, at $600,.....	48,000 00	
60 Platform Cars, at $500,.....	30,000 00	
50 Gravel Cars, at $125,.....	6,250 00	
4 Hand Cars, at $125,.....	500 00	
		1,129,750 00
Total,.....		$3,248,360 63

Adding to the original estimate for grading, masonry and bridging, the following items, not embraced in it, viz: one-half of the superstructure of the Delaware Bridge, ($17,760,) and 100,000 yards earth excavation, for the object already named, ($23,500,) it gives $1,377,016, which is 6 1-10 per cent. below the prices for which the work is let,—a difference more than accounted for by the subsequent advance in the value of labor.

EXHIBIT OF THE PRESENT CONDITION OF THE WORK.

	Cub. yds. Earth Exc.	Cub. yds. Rock Exc.
Estimate of quantities,....	2,397,347.	609,362.
Work done Feb. 1, ...	632,208.	95,518.
Remaining to be done,....	1,765,139.	513,844.
Work done during the mo. ending Jan. 31,.....	150,948.	27,496.

Force at present employed on grading: Men, 2,392; Horses, 314.

CAPACITY.

The annexed Statements, "A" and "B," prepared by D. H. Dotterer, Esq. Superintendent of the Road, showing in detail, the capacity of the Road for transportation, the manner of operating the same, and the furniture required, is based upon the practical working of the Northern Division, and hence furnishes results which should be fully realized.

Making the necessary deductions from this estimate, for the accommodation of two passenger trains and one freight train, it gives for the capacity of the Road for the transportation of coal:

Single track, ... 693,000 tons.
Double track, ...1,584,000 "

RESOURCES AND CONNECTIONS.

The principal immediate item of revenue will be the transportation of Coal, which upon the Southern Division will only be measured by the capacity of the Road, while the business of the Northern Division, now limited by the demand for Western New-York, will tax its utmost capabilities when the several lines projected in that direction shall be opened.

A large through passenger business is anticipated from the important connections which will be formed as shewn below:

From Philadelphia to Gt. Bend via N. Y. & Erie, . . .	288 ms.	
" " " " D. L. & W., . . .	190 "	
Difference in favor of the D. L. & W., . . .		98 ms.
" New-York to Great Bend via N. Y. & E., . . .	201 "	
" " " " D. L. & W., . . .	186 "	
Difference in favor of the D. L. & W., . . .		15 ms.

These advantages will obtain in favor of all connections with the numerous roads diverging from the N. Y. & E., West from Great Bend.

The Central Rail-Road of New-Jersey, the Warren, the Delaware, Lackawanna & Western, the Lackawanna & Bloomsburg (diverging from the Del., Lacka. & Western at Scranton), the Sunbury & Erie and the Alleghany Valley (connecting Pittsburg with the Sunbury & Erie at Ridgway), together will constitute, for all time, the great central routes from New-York West and Southwest.

The Alleghanies being divided by the West Branch of the Susquehanna, (the route occupied by the Sunbury & Erie,) lower grades are obtained than upon any other line crossing this mountain range.

The connections being made and contemplated with the Sunbury & Erie west of the Alleghanies, being finished, a great saving in distance over going by Erie will be gained. Independent of these, the comparative distances by this route and the N. Y. & E. will be:

From New-York to Erie via N. Y. & E, ...	507 ms.	
" " " via above route, ...	457 "	
Difference in favor of this Central Route, . . .		50 ms.
" New-York to Pittsburg via N. Y. & E. & A. Val'y,	582 "	
" " " via Central Route, . . .	474 "	
* Difference in favor of Central Route, ...		108 "

The construction of the Lackawanna & Bloomsburg, connecting the Northern Division of the D. L. & W. with the Susquehanna R. R., will complete a line uniting Canada with the South, and at the same time make tributary to your road that portion of the coal basin lying south west from Scranton, which is urgently demanded by its prospective business.

The above R. R. distances, coupled with the fact that this line will traverse longitudinally the Lackawanna & Wyoming coal fields, show clearly that the permanent advantages to be derived from its construction will be: To constitute the Northern and Southern Divisions of your road integral parts of two trunk lines connecting New-York with Erie and Pittsburg; and Oswego, Lake Ontario and Canada with Philadelphia, Baltimore and Washington, to place upon your road every variety of coal found in the coal measures of "the Great Northern Basin;" to give stability to the price for mining, by being in communication with a large number of individual operators; and also to preclude the necessity of building many miles of lateral road, otherwise required in extending your coal business.

Apart from the direct connections which will be had with New-York and Philadelphia, other connections, of scarcely less importance, will be secured in

* This difference would, by the construction of a Road from Corning to Olean, be reduced 35 miles.—*Report of the N. Y. & E. R. R. Co.*

the vicinity of the south-eastern terminus of the Road: The Del. & Raritan Canal connecting with the Trenton and Belvidere R. R., the Morris Canal touched by the Warren R. R. at Washington, and the Morris & Essex R. R., together, thread every mineral and manufacturing district in the State, and must become coal-carrying, to the extent that a demand is created upon these respective lines, while most of them are capacious and cheap channels for the through transportation of coal.

The aggregate amount of coal which will be distributed through the State by these improvements may be inferred from the quantity sold annually upon the line of the Morris Canal, which already exceeds 200,000 tons—a trade which can never be disturbed by the causes which operate unfavorably upon the sea-board.

Though the capacity of the Road, for the transportation of coal, be 693,000 tons, the estimate of revenue will contemplate but a movement of 600,000 tons.

The products of the forest will be large. From the summit of the Road, for a distance of 15 miles, heavily timbered lands extend, indefinitely, in either direction, presenting a wider field for the operation of the lumberman and tanner, than any other within the limits of my knowledge, and which is already attracting much attention. These products, seeking any market, will be transported upon descending grades, and may for the first year be classed as follows :—

15,000,000 ft. Lumber—(transported an average distance of 40 miles.)
5,000 tons Bark, " " "
3,000 " Hides and Leather, " " "
5,000 " Miscellaneous (timber, wood, &c.) " "

Not being able to fix, with the same precision, the revenue to be derived from other sources—the general transportation and passenger business—it will be assumed below the amount which the data in possession would indicate. It will be based upon the through transportation of 50,000 tons per annum, and upon carrying 200 passengers, each way, per day.

REVENUE.

600,000 tons Coal carried 60 ms. at 2c. per ton per m.		$720,000
15,000,000 ft. Lumber " 40 "	$1 per m.	15,000
5,000 tons Bark " 40 "	2½c. per ton per m.	5,000
3,000 " Hides & Leather 40 "	3½c. per ton per m.	4,200
5,000 " Miscellaneous, 40 "	2c. per ton per m.	4,000
Passengers (200 each way per day) $1 50,		180,000
50,000 tons General freight 60 ms. at 3½c. per ton per m.		105,000
Express "		10,000
Mails		6,000
Total,		$1,049,200
Deduct running expenses 55 per ct. (much above the cost of operating the Northern Division,		577,060
Net Revenue,		$472,140

or { 472,140 00 / 3,248,360 63 } 100 — 14 5-10 per. ct. upon its estimated cost.

It will be remarked that in the above calculation the entire cost of the Road, graded for a *double track*, is an element, while the net earnings of a *single track* only are taken into account.

If the cost of the superstructure of the second track and the equipment necessary be added to the estimated cost of your Road, and the estimate of revenue be made upon the earnings of a double track, it would shew such flattering results as would suggest the expediency of making immediate provision for it.

RIVAL ROUTES.

During the past season two routes have been examined, with the view to connect the Lackawanna & Wyoming coal region with New-York, and also to divert at Waverly the business, now enjoyed by New-York, to Philadelphia.

Reports upon these surveys—the Del., Lehigh & Wyoming, and the North *Penn.,—are now made* public, which will be noticed to the extent that the *construction of these Roads* would seem to prejudice your own.

DEL., LEHIGH & WYOMING R. R.

By this Road it is proposed to extend the Morris & Essex R. R. to Wilkesbarre, a point in the Wyoming Valley, 17 miles below Scranton.

From the last report published on this survey, these facts are deduced:

The distance from Wilkesbarre to the Del. River exceeds the distance from Scranton to the same point 15 ms.

The estimated cost of grading for a single track is	$1,672,021	
Add cost of replacing 4,691,000 ft. timber estimated for temporary structures, by embankments or permanent viaducts, assuming it to be proportionate to the cost of replacing similar structures upon the Northern Division of the Del., Lackawanna & Western R. R., ...	400,000	
Add cost of grading for second track 40 per ct. . .	828,808	
Cost of permanent Road for double track, ...		$2,900,829
Estimated cost of masonry, per estimate, ...		100,962
Add Delaware Bridge, not estimated, ...		60,000
Add cost of grading 7 miles for double track, from the terminus of the Del., Lehigh & Wyoming to the terminus of the Del., Lacka. & Western, at $15,000 per m.		105,000
Total cost of grading and masonry for double track,		$3,166,791
The cost of the Del., Lacka. & Western, graded for a double track, *with no temporary structures*, to a point on the Del., 7 miles below the crossing of the Del., Lehigh & Wyoming, will not exceed the estimate heretofore given, viz:		$1,461,510

Showing a difference in favor of the Del. Lac. & Western, of $1,705,281

This enormous difference in cost is attributable to these undeniable facts, established by careful surveys, made prior to the final location of your Road. All tributaries of the Lackawanna and Susquehanna rivers heading on Broad Mountain (with the exception of Roaring Brook, the route of the Del. Lack. & Western), have most of their descent near their source; hence any line, upon which a continuous grade is maintained, will necessarily be at a great elevation above the water, thereby encountering deep ravines, expensive crossings and excessive curvature.

The Lehigh and Tobyhanna creeks heading upon the table-lands which form the summit of Broad Mountain, are crossed by your Road at elevations of eight (8) and twenty-five (25) feet respectively. Immediately below, these streams become rapid and are, at once, divided by formidable ridges, as shown by the "*average*" crossings of one hundred and nineteen (119) feet met with upon the route of the Del., Lehigh & Wyoming R. R. In the descent of the southern slope of Pocono the maximum grade* upon the Del., Lehigh & Wyoming is ruled by the crossing of Pocono Creek, distant from Hippy's Gap (summit) 9 miles, while from the summit of the Del., Lacka. & Western (35 ft. below Hippy's Gap), a continuous grade, for a distance of 15 miles, is secured.

The governing point upon the Del., Lehigh & Wyoming being but 9 miles from their summit, high crossings are made necessary to reduce to a minimum the grade upon that portion of the Road, which will account for the large estimated cost of that Division.

The grades of the Road as set forth being the "*average*" instead of the *maximum* grades, its absolute capacity is indeterminate: It is, however, shown that

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* *See Report of Capt. Beach, made in 1831*, page 9, from which it appears that no grade *exceeding 50 feet per m. need be employed* in Pocono Valley.

à summit (Hippy's Gap) is to be overcome, distant from Wilkesbarre, 41 miles. From Wilkesbarre to the summit of the Del., Lacka. & Western, via Scranton, ... 35 "

Difference, ... 6 miles.

Distance from Wilkesbarre to Scranton by the surveyed route, . . 17 "

Cost of this Road ready for the superstructure, $133,584. The expenditure then of $133,584 in the construction of the Wilkesbarre & Scranton R. R. as opposed to $3,061,791 required for the Del., Lehigh & Wyoming, would secure to the Wyoming Valley the greatest desideratum, viz: *The best connection with the Delaware Water Gap.*

NORTH PENN. R. R.

This line would connect Philadelphia with the N. Y. & E. R. R. at Waverly, via Freemansburg, Mauch Chunk, and Pittston.

The resources of this Road are based upon the assumption that Waverley is 40 miles nearer Philadelphia than New-York, and hence it is presumed that the country north and west from this point would become tributary to Philadelphia.

The construction of eight miles of road, from Factoryville, (on the Northern Division of your Road,) to Tunkhannock, and for which a charter exists, would reduce the distance of 40 miles, in favor of Philadelphia, to 3 miles, and the distance to tide water would be 11 miles less.

Further: from the summit of Broad Mountain, crossed by either line, the maximum grade, in the direction of Philadelphia, is 52 8-10 feet per mile,* while the highest opposing grade, in the direction of New-York, is 22 feet per mile.

The result then of these surveys have been to demonstrate, that the shortest and least expensive line connecting the Northern Penn. Coal Field with New-York, is the Southern Division of the Del. Lackawanna, and Western R. R.; and that the lowest grades have been obtained upon it,—a question, which the preliminary surveys of your Road, exhibiting every important topographical feature of the entire country traversed by the experimental lines referred to, no longer left problematical.

E. McNEILL,
Chief Engineer.

Engineer's Office, D. L. & W. R. R.
Scranton, Jan. 2d, 1854.

STATEMENT "A."

Estimated capacity of the Southern Division of the Delaware, Lackawanna, and Western Rail-Road, with double track from Scranton to the first summit, (5 miles,) and the remainder of the road single track, except about 8 miles siding, for passing places.

PLAN OF OPERATING.

8 First Class Engine, working between the mines and the first summit, taking 20 6-ton cars at a trip, making 9 trips per day, would place at said summit 180 cars; at 6 tons each, would give 1,080 tons; allowing 275 working days to a year, would make 297,000 tons.

9 First Class Engines, working between Scranton and second summit, taking 20 6-ton cars from Scranton to first summit, and there adding 10 more, making 30 cars to the second summit, and each engine making 2 trips per day, would place at second summit, 540 cars per day, at 6 tons per car, would give 3,240 tons; allowing 275 working days per year, would give 891,000 tons.

9 First Class Engines, working between second summit and Water Gap, each making one round trip per day, with 60 or 61 cars each, would give 540 cars, at 6 tons per car, allowing 275 working days to the year, would deliver at the Water Gap, 891,000 tons per year.

19 Engines, in actual service on Main Line.
6 " (extra,) under repairs and in order.
2 " switching and hauling coal from mines to Scranton.

27 Total number of Engines required for coal.

* See Engineer's Report of N. P. R. R.

With about 2,000 cars; based upon the supposition that the cars are to go no further than the Water Gap.

STATEMENT "B."

Estimated capacity of the Southern Division of the Delaware, Lackawanna, and Western Rail-Road, from Scranton to the Delaware Water Gap, 60 miles, with double track.

PLAN OF OPERATING.

2 First Class Engines, working between Scranton and first summit, taking 20 6-ton cars at a trip, each engine making 9 trips per day, would place at said summit, 360 cars, at 6 tons each, would give 2,160, allowing 275 working days to a year, would make 594,000 tons.

18 First Class Engines, working between Scranton and second summit, taking 20 6-ton cars from Scranton to first summit, and there adding 10 more, making 30 cars to the second summit, and each engine making 2 trips per day, would place at second summit, 1,080 cars per day, at 6 tons per car, would give 6,480 tons; allowing 275 working days per year, would give 1,782,000 tons

18 First Class Engines, working between second summit and Water Gap, each making one round trip per day, with 60 or 61 cars each, would give 1,080 cars at 6 tons per car; allowing 275 working days to the year, would deliver at the Water Gap, 1,782,000 tons per year.

---

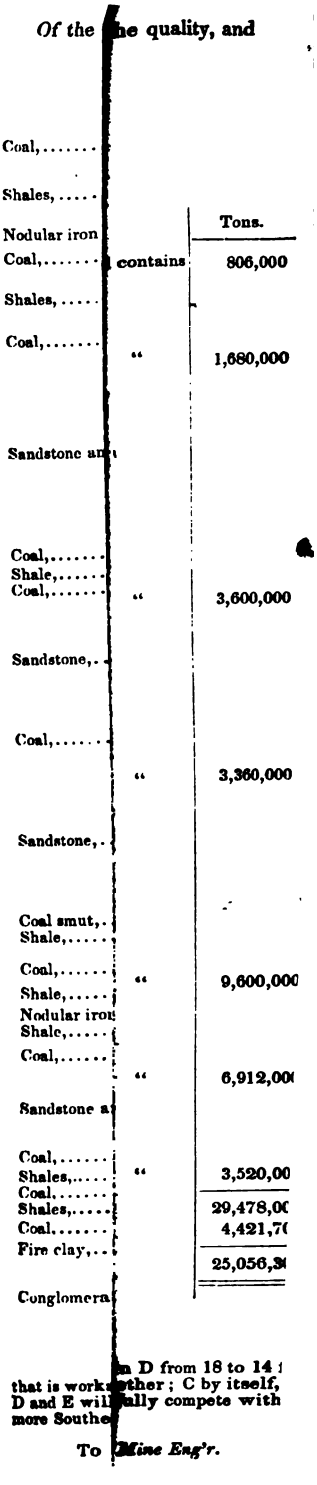
38 Engines in actual service.
3 " at mines, switching and hauling coal to Scranton.
8 " (extra,) under repairs and in order.

---

49 Total number of Engines required for coal.

With 3,500 6-ton cars; based upon the supposition that the cars are to go no further than the Water Gap.

Of the ne quality, and



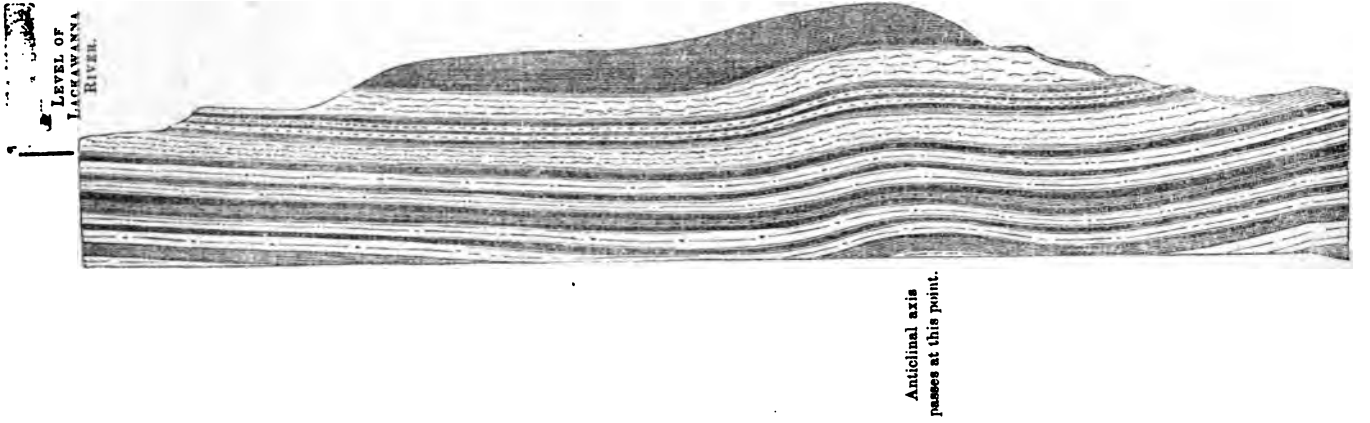
n D from 18 to 14 f
that is work ther ; C by itself,
D and E wil ally compete with
more Southe

To *Mine Eng'r.*

TRANSVERSE SECTION,

Of a portion of the Coal Lands belonging to the "DELAWARE, LACKAWANNA AND WESTERN RAIL-ROAD COMPANY," known as the Griffen Lot.

BY B. NEEDHAM, *Mining Engineer.*



Letter from B. NEEDHAM, ESQ., *Mining Engineer, referring to his surveys, and report upon the Company's Coal Lands, hereto annexed.*

SCRANTON, *Feb.* 20, 1854.

To GEO. D. PHELPS, ESQ.

President of D. L. & W. R. R. Co.

DEAR SIR:—Your note of the 16th came to hand only last night, after my return with Mr. Albright from a hasty visit to the various Colleries of Schuylkill Co. After a careful examination of the most approved methods of preparing Coal, I have come to the conclusion that none surpasses our own even *present* fixtures, on which we purpose making such improvements as our superior localities may demand.

* * * * * * * * *

We have procured some plain, strong machinery, for our new slopes, superior to anything I saw in Schuylkill or the Lehigh; and are making preparations to put it up in readiness for the completion of the slopes.

Taking your letter up, in the order of information asked for, I would state, that since the explorations made by Professor Rogers, whom I accompanied to the various out-crops and openings, I have taken occasion to run a line of levels on the Griffin lot, for the purpose of making a transverse section, and have concluded the borings there going on, and happily find the Coal much thicker there than its general average. I would refer you to my surveys and sections, with the estimates accompanying them, for particulars. The estimates are not overdrawn, after the deductions made; besides I have since discovered another vein three feet thick, between "A" and "B," of my last report. This is a good Coal, belonging to the upper series of veins, and not included in Prof. Rogers' reports. Leaving out those smaller veins, interesting only to the scientific, I will merely give you the general outlines of the size and quality of the workable seams on the Griffin lot. The first in the *descending* order is the "A" vein, 8 feet;—the second, a 3 feet vein;—then "B" 4 feet, where it has been worked;—"C" 5 feet—"D" 8 feet, and "E" 15 feet, making 43 feet in 6 veins, all belonging to the upper series of free burning, or Steam Coals. *All* these veins would be worked in Schuylkill, and can be worked here; but the smaller veins would cost more in proportion, per ton for mining, than the larger ones. Of the entire thickness of this upper series, 21 feet may be classed with the superior Coals for generating steam, possessing great heating powers, a very active combustion, with rectangular fracture, suiting a condensed stowage, for oceanic navigation; containing little earthy matter, and leaving a residuum of about 7 per cent. ashes. The lower series comprises five working veins, of a very dissimilar Coal. The first of this second series, the "F" vein, varies from 6 feet to 8 feet 4 inches, pure Coal, devoid of slate, of a semi-conchoidal fracture; and altogether one of the most splendid Coals sent to market: excelled only by a small vein of the Lehigh, 3 feet thick, known as the "clear vein," the heaviest and purest *known anthracite*. This vein will be mined and sent to market, for the first time, this year from this Coal-field. We hope to be ready in time to mine and send to market this year about forty thousand tons of this coal.

The next in the series is the big vein of Wilkesbarre and Pittston, varying from 9 to 18 feet. This, the "G" vein, with its usual slates, measures on the Griffin lot 18 feet, 1 inch; is a good hard firm Coal; rectangular fracture, well known in your city as the Pennsylvania Coal Co's. Then comes the "H" vein; a superior Coal, very similar in hardness, fracture and quality to the "F" vein above mentioned, and is 8 feet thick. These three veins, alone, will produce, of good merchantable Coal, on the Griffin lot, 27 feet in thickness, equal to 34,560 tons per acre, after deducting 20 per cent. for mine waste and supports. The Coal of the three above veins, "F," "G" and "H," are all of the hard variety of anthracites; excellent for foundry, furnace and

smithing purposes; and with blowers, would answer well for steam purposes. I forgot to mention that the Coals of the upper series, are excellent steam-producing Coals, *without the aid of blowers*.

Next, and last in order, are the veins "I" and "K," 6 and 4 feet respectively in thickness. They are worked at Dunmore, by the Pennslyvania Coal Company, but are inferior in quality to the veins of "F," "G" and "H," although fair merchantable Coals.

The same veins, from "B" downwards, cover, more or less of the Tripp tract, and in my first estimate of total quantities, I have no alteration to make, except to make the deductions on those reported quantities equal 20 per cent for mine waste and supports. These include slate between the strata, stumps of pillars left in "*robbing back*," and Coal dust. For variations in thickness, I would refer you to my section.

This whole mining region, above the mouth of the Lackawanna, consists of an irregular series of anticlinal and synclinal axes, with small intermediate swells and depressions; and all running diagonally across the valley: thus requiring skill and judgment in opening mines, of the most accurate kind to avoid extra expense. But the whole formation being comparatively shallow, all the Coals are easily accessible; particularly so, when compared with the extremely disrupted formation of the Schuylkill region.

We are making rapid progress with our slopes, and shall reach the "F" vein in about 44 days, being now only 18 feet above it. Our machinery is in a state of forwardness, and will be ready to operate by the middle of May at No. 2, and by the 15th of June at No. 1.

I think you may safely calculate on 140,000 tons, and reasonably on 150,000 this year. As time to meet your request is limited to a couple of hours, I have thus hastily replied to the inquiries made, and have no time left to go into more minute details.

Very respectfully, yours, &c.,

B. NEEDHAM,

Mining Engineer.

VERTICAL SECTION

Of the Coal Lands of the Delaware, Lackawanna and Western Rail-Road Company, near Scranton, Penn. by Professor H. D. Rodgers.

			5 Black slate.
			40 Coarse gray massive and shelly micaceous sandstone.
Coal M Not opened.		8 ft.	5 Fire clay.
	90		
			40 Coarse gray thickly obliquely bedded micaceous sandstone.
Coal L		3	7 Blue sandy shale. Balls of Iron Ore.
	12		5 Soft clay shale—sometimes a fire clay.
Coal K		5	8 Blue sandy micaceous slate.
	20		4 Shelly micaceous sandstone and shale.
Coal I		7	10 Slate.
	82		
Coal H		10	7 Blue clay shale—Ferns—Lepidodendra, &c.
			10 Shales.
	70		
Coal G		6	10 Slaty micaceous sandstone.
			5 Shales.
	57		
Coal F		14	2 Sandy slate.
Coal E	25	2	7 Black slate and shale.
		4	5 Micaceous flaky sandstone.
Coal D		8	5 Ore shale.
			1-4 Shale.
			12 Fire clay and shale.
	31		
Coal		2	
	6		6 Blue slate.
Coal C		6	6 Stigmaria shale.
			11 Stigmaria shale.
	31		
Coal B		4	5 Massive micaceous sandstone.
			7 Fire clay—stigmaria.
	25		
Coal		1	20 Coarse gray micaceous sandstone—lower beds pebbly.
Coal A		2	4 Blue stigmaria shale.
			14 Stigmaria shale.
	68		
	10		10 Stigmaria fire clay—sandy.
	60		
Base of Seral.			30 Nut and Pea Conglomerate,

EXTRACTS *from a recent Report on the* "GEOLOGY AND MINING RESOURCES" *of that part of the* LACKAWANNA COAL BASIN *which includes the lands of the* DELAWARE, LACKAWANNA AND WESTERN RAIL-ROAD COMPANY, &c. &c. *by* PROF. H. D. ROGERS, *of Boston.*

To the President of the Delaware, Lackawanna, and Western Railroad Company, and to the President of the Lackawanna Iron and Coal Company.

GENTLEMEN:—The valuable Coal and Iron Ore Estate of the Delaware, Lackawanna, and Western Rail-road, and Lackawanna Iron and Coal Company, at Scranton, a brief description of which I here propose to submit, preliminary to a more comprehensive and minute account promised for a future day, is situated in the Lackawanna Valley, South West of Cobb's and Leggett's Gaps, and East, South, and South West of the village of Hyde Park; the town of Scranton being approximately in its centre. One portion of these lands lies outside, or to the South East of the natural boundary of the Lackawanna Coal field; the other, and far more valuable part of the estate, embraces all the South Eastern side and central tracts of the Coal Basin, extending up the valley, North East, to within a mile or so of the villages of Dunmore and Providence, and in the opposite direction, South West, with some interruptions, two miles and a half from Scranton; its Northern and North-Western boundary being on the table land North of the Lackawanna meadows. The amount of productive coal lands thus situated, belonging to the two Companies, is estimated at about 3,000 acres. Before proceeding to a more special description of the *coals and ore beds* embraced within these estates, some brief preparatory general remarks on the geological features and structure of the Wyoming and Lackawanna Coal Basin seem called for, as tending the better to exhibit the relative position which the strata of this district occupy in the whole coal field.

* * * * * * * * *

GENERAL STRUCTURE OF THE BASIN.

In order to convey a correct conception of the conditions under which the coal beds of the vicinity of Scranton lie, and their availability for mining, it is expedient to detain the reader a little longer from the more local descriptive details pertaining to that district, to offer a few preliminary but important remarks respecting the general geological structure of the whole coal field. He will be thus prepared to understand much more precisely the degree to which this structure affects the middle part of the Lackawanna basin, where the Scranton lands are situated, and the extent to which it influences the distribution and the mining of the coal.

In general configuration the Wyoming Basin is a wide and shallow trough, somewhat deeper in the middle than at the sides, yet deepening so gradually towards the centre, as to be, if we disregard the subordinate undulations of its strata, approximately flat. This prevailing levelness of its bed or floor, notwithstanding the considerable angles of dip,—frequently more than thirty degrees—is at once apparent when we compare the great width of the valley, —four or five miles in its middle district—within the very moderate depth of 1,200 or 1,500 feet, or perhaps 1,800 feet, which my sections seem to assign to it, in this its most capacious portion. Laborious explorations and measurements have enabled me to bring to light within the general basin the existence of a great number of nearly parallel lesser troughs or basins, with intervening saddles or anticlinal waves in the coal strata, and to trace these individually, and to develop the law of their direction and their effects on the local distribution of the beds of coal. These investigations have shown me that the

same coal seams and other strata are repeated, within certain limits, from one wave to another, so as to maintain, despite the local steepnesses of dip, this average uniformity in the depth of the coal field at any given cross section. This general levelness of the bottom is independently established by a comparison of the vertical thickness of the strata with the breadth of the valley.

The whole coal valley may be likened to a flat-bottomed boat, tapering gradually from the middle towards each extremity, and as gradually shoaling up in those directions; but the boat is not a straight one, but curves constantly, crescent-like, towards one side, and the resemblance is further deficient in the bottom not being smooth, but ridged with the waves above spoken of. This shoaling, or thinning, by superficial removal, of the coal measures, towards either end of the trough, though locally modified, within restricted limits, by the undulations, is not a uniformly progressive feature, but advances more suddenly and then more slowly along certain portions of the valley. Thus it seems to proceed rather rapidly from Wilkesbarre North Eastward past Pittston, and to be almost arrested, thence along the Lackawanna valley from near the mouth of Spring Brook, until we pass beyond Scranton, while a more rapid lifting out of the strata seems again to commence near Leggett's Gap, and to continue steadily to the termination of the basin at Carbondale. This fact of the very slow rise of the coal rocks as we ascend the Lackawanna from the Falls to a mile or more beyond Scranton, would seem, at first glance, to nearly equalize the quantity of available coal for equal areas throughout this reach of the valley; but a detailed examination of the comparative resources of the several tracts of this district will disclose quite remarkable differences, dependent on various conditions not connected merely with the depth of the coal measures. Among these modifying circumstances it will suffice for the present to advert to such as are of conspicuous importance. These are, the variations in the number, thickness, and purity of the coal beds within the same mass, or thickness of coal strata; the comparative quantities of minable coal above the beds of the ravines and valleys, the accessibleness of the coal to economic mining, and ready drainage, as affected by the direction and degree of dip of the strata, and the greater or less extent to which the strata and the seams of coal especially are obscured, preventing successful mining, or concealed altogether from discovery by the very unequal covering of drift or gravel which hides from view large patches of the coal formation in this part of the basin. So influential are these and other conditions on the productive capacity of any given tract, that it may be said that a different mining value characterizes every different half square mile of the valley, rendering it quite unsafe to infer from the ascertained geology and resources of one range of land, the commercial values of grounds adjoining, unless these have been themselves carefully and experimentally opened, and the specific relations of the unknown portions to the known, established. Circumstances seemingly the most trivial, as whether with a gentle dip the coal beds lying above the water level of a valley, incline *into* the hill or table land which bounds it, or *outwards* towards the low grounds, determining whether machinery must or need not be used, will oftentimes make a difference in the economy of mining the coal, equivalent to the whole margin of average profit to be anticipated, and, therefore, no speculative anticipations beyond very vague and general ones are to be built upon any generalizations extended to unexplored lands, from those where the geological structure, mineral contents, and mining capabilities are already ascertained.

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OF THE COAL MEASURES AND IRON ORE, STRATA, OR MINERAL RESOURCES OF THE IRON AND COAL ESTATES OF THE COMPANIES.

The Coal Measures.

It has been already stated that the coal-containing strata of the vicinity of *Scranton appertain to* the lower group of the white Ash Coal measures of *the Anthracite basins;* and it was also remarked that this group exhibits *greater fluctuations in* the dimensions and quality of the coal beds than any

other subdivision of the whole coal formation. These fluctuations, it is appropriate to add, belong equally, or in a greater degree, to the rocks which fill the intervals between the coal beds. It would seem as if the physical conditions under which these earliest coal strata were deposited, were more inconstant than those which belonged to the later stages of the formation. The spaces over which the nearly perfect state of repose of the surface prevailed, necessary to the accumulation by slow growth of the vegetable peaty mass producing each seam of coal, were evidently of a narrower geographical extent than afterwards; and the currents and disturbances of the earth's crust, which buried these successive peat swamps under the clayey, sandy, and even coarse gravelly strata that rest upon or between them, were obviously much more violent than in the middle and final ages of the great coal period.

Nowhere, perhaps, in the Anthracite country, are the proofs of this instability of the surface during the first stages of the coal formation more conspicuously manifested, than in the Wyoming and Lackawanna basin. Here we find, in certain neighborhoods, in the same few hundred feet thickness of these lower coal strata, as many as ten or twelve separate beds of coal, while in other localities there exists not more than half, or even a third of this number; and what is more material, the very same individual bed which in one quarter possesses an ample, or indeed superabundant thickness, is in another but a dwindled seam, too thin or too impure for profitable mining. Without attempting any close continuous tracing of the several coals, which can only be done as the consummation of an elaborate and protracted survey, I may exemplify the variability of these coal measures, by appealing to the very different types which they assume in the three meridians of Solomon's Gap, South West of Wilkesbarre; Spring Brook, South East of Pittston; and the vicinity of Scranton.

At Solomon's Gap, this group of lowest coal measures, extending from the foot of the mountain North West across the basin, to the edge of the diluvial flats of the Susquehanna, includes in a thickness of nine hundred or one thousand feet as many as thirteen beds of coal of various sizes, from one foot to nineteen feet, and the total thickness of coal, fit and unfit for mining, embraced by this section, may be estimated at nearly eighty-four feet. But out of this aggregate quantity, the thickness susceptible of being profitably wrought, does not probably amount in all to more than forty-five or fifty feet. Traced Eastward and Westward these coal beds undergo, even in the space of two or three miles, some very remarkable variations. Thus the fifth in position from the bottom, from a thickness of seventeen feet at Solomon's Gap, enlarges in that distance to the noble bulk of twenty-eight feet, opposite to Wilkesbarre, beyond which neighborhood it seems again to decline even more rapidly than towards the South West. These fluctuations arise partly through the coalescing of two or more beds into one, or conversely, through a splitting and diverging of the thicker seams into two or three thinner ones, or partly, again, by the gradual alterations of size of the same coals, independently of such unions and subdivisions.

If we turn now to the district of Spring Brook, we shall find all the features of the formation so altered as to present not one subdivision, neither coal bed nor other stratum, which we can recognize or identify as a member of the series visible in the vicinity of Solomon's Gap. In a total thickness of several hundred feet of coal measures, embraced between the outcrop of the Main Pittston Seam and the conglomerate of the mountain to the South East, only six coals in all, according to the largest estimate, have ever been brought to light, after close and persevering researches there, and only two of these appear to have a size and purity adapting them for successful mining. There would seem to take place between Solomon's Gap, or Wilkesbarre neighborhood, and this quarter, a progressive impoverishment of these lower strata in the number and size of their included coal beds, and likewise a considerable thinning down of the entire formation. As a result, this portion of the Southern skirt of the valley maintains at this time no *collieries of any magnitude.*

Another and opposite change, back to a very productive condition of the

coal measures, is exhibited as we continue our progress along the same side of the basin North Eastward up the Lackawanna valley and approach the vicinity of Scranton.

In the immediate neighborhood of Scranton, a portion of the Coal Basin where the coal measures are unusually well developed by natural features in the topography, and through the researches directed by the companies,* the coal rocks, counting from the upper surface of the Seral or lower conglomerate to the highest sandstones of the plateau South West of Hyde Park Village, disclose, upon careful measurements, an aggregate thickness of about seven hundred feet; and in this depth of strata the whole number of coals, large and small, amounts to no less than twelve, not estimating as separate seams any layers which might be regarded as subdivisions of compound beds. The assembled thickness of these twelve plates of Anthracite is not less than seventy-four feet, taking for some their mean, for others their minimum, dimensions; and the thickness available for market, under judicious mining, I would estimate at thirty-nine or forty feet. These aggregates, arrived at through careful personal observation and many patient measurements, exhibit certainly an unusual amount of coal in so moderate a depth of strata, being nearly eleven feet of the former to each one hundred feet of the latter; or of good salable coal, the high proportion of six feet to every one hundred feet of rock. The immediate and encouraging inference from this incontrovertible statement of thicknesses is, that here is a tract particularly eligible for mining by perpendicular shafts or pits, since the whole body of the coal measures, possessing generally but a gentle dip, may be perforated, and the coal reached to the large amount above mentioned, by shafts descending only a few hundred feet from the surface. An inspection of the appended column of the Scranton coal measures discloses the still more interesting fact, that in a depth of no more than four hundred feet, starting with the third coal from the surface, or the five feet seam, found near the base of the hills, and ending below with the lowest included in my estimate as workable,—the six feet bed or the third up from the bottom,—the thickness of coal amounts to fifty-eight feet, of which the quantity available for mining may, at a prudent estimate, be computed to equal at least some thirty-five feet divided in seven different workable beds. These seven beds are equivalent to sustaining seven separate collieries, capable of delivering their coals to the surface through a single wide shaft, or better, through two shafts, neither of them more than four hundred feet in depth.

Of course, it must not be understood that this entire body of coal measures, nearly seven hundred feet in total thickness, underspreads the soil throughout every part of the Scranton coal field. It is only in the higher hills belonging to the North Western and Western sides of the estates that the uppermost coal beds of the group have escaped destruction by denudation, and here these seams may be advantageously entered for mining above the water level of the immediate valley of the Lackawanna. Under that drift-covered plain or valley, the highest beds yet mined, those designated I and K in the column and locally named the seven feet and the five feet coals, descend to a very moderate depth in a narrow trough near the Lackawanna; but between this belt—which is a little to the South East of the base of the Hyde Park range of bluff hills or table land, and the South Eastern edge of the basin, at the outcrop of the conglomerate—the lands contain only the middle and lower coals. The whole basin being undulated in four gentle anticlinal waves, and growing more shallow on rising towards its South Eastern side with each successive wave, these middle and lower seams, after basining between the anticlinals, crop out in their turn further and further in that direction as they are nearer the bottom of the series, until the last, lowest beds of all finally emerge to the surface in the sloping border of the valley. In the gently slanting plateau of hills North West and West of the meadows of the Lackawanna, the upper coal seams ascend with scarcely any undulations, and at a very moderate angle, above the level of the river flats, the ten feet bed, or coal H, presenting its lower, or dipward edge or outcrop, just a few feet above the *plain, and giving a frontage* towards the valley, extremely favorable for econo

* *Skilfully* and successfully conducted by Mr. B. Needham.

mical mining. A little higher in the same hills, and equally accessible, lie the seven feet and the five feet beds, or coals I and K, with courses of iron ore in large nodules. The ten feet bed, or H, reënters the ground, and maintains itself under cover throughout the wide belt which lies between the North Western edge of the plain or the Sweatland meadows, and the foot of the Scranton and Dunmore ridge. Here shafts between three hundred and four hundred feet in depth, will give access to the coal of the five principal workable beds of the series, namely, to H, G, F, D, and C, or the so-called ten, six, twelve, eight, and six feet coals; or if only the four middle larger beds should at first be aimed at, those beginning with H, and terminating with D, can be all reached by pits not deeper than about two hundred and fifty feet. This valley tract, underlaid as it is by an aggregate thickness of coal, between thirty-six and forty feet, in four beds, proved by actual mining in several localities to contain from twenty-seven to thirty feet of excellent merchantable fuel, is assuredly most advantageously circumstanced for extensive and economical mining.

I shall now proceed to give some account of the individual coal beds and layers of iron ore in the Scranton coal measures, omitting, on this occasion, any statements respecting the intervening rocks.

DESCRIPTION OF THE COAL SEAMS AND BEDS OF IRON ORE OF THE SCRANTON COAL FIELD.

Commencing with the lowest layer of coal in the series, and ascending to the highest, our enumeration will comprise, as already stated, twelve independent beds—not counting, as separate seams, certain attendant thinner bands which, in some places, coalesce with the main ones, and in others thin down and disappear, and which are generally of fluctuating size. In those cases where the beds have been opened or mined at sufficiently numerous and remote points to show their own fluctuations, if such exist, the limits and nature of these will be briefly stated. * * * *

Coal B.—This coal, measuring four feet thick at Roaring Creek, has not hitherto been mined there, partly through an impression of its unfitness, partly through the prevalence of thicker coals, adjacent to the main outlet railroad. It rests upon five feet of fire-clay, containing the rootlets of stigmaria, so characteristic of the floors of most permanent and productive coal seams. Though apparently of average purity, and of quite manageable dimensions, I do not include it at present in my estimate of the economically available beds of the Scranton estate. It has, however, been profitably mined at Dunmore, on the hill near Plane No. 6. It is there, as at Scranton, the second bed ascending. Two mine drifts, at different levels, penetrate the bed, and in these its thickness is from five and a half to six feet.

Coal C.—Next in the series is a coal called at Scranton the lower six feet bed; and it is the lowest which has been opened as yet, with a view to being mined. It crosses the valley of Roaring Creek at the Scranton Rolling Mills, but is not there wrought. Preparatory openings have been made in it a mile below the Scranton furnaces on the south side of the Lackawanna, where, like the other coals below it, it rests in a gentle Northward dip, making it accessible for mining from the river valley. This coal has been, and is now mined to some extent at Dunmore in the same hill of Plane No. 6, where the other subjacent beds are wrought near it, and in that locality it is about five feet thick. Near Scranton it rests on stigmaria shale, and is separated by six feet of that material from a band of coal, two feet in thickness, which does not everywhere follow it. Neither this coal seam nor those beneath it rise anywhere to the surface, even on the highest uplifted anticlinal ridges, or in the deepest denuded depressions of the coal basin, between these South Eastern exposures and their North Western lines of outcrop along the opposite margin of the valley. They therefore underlie every acre of the lands of the Scranton estate embraced within the coal field. I think this coal bed may fairly be *estimated to contain* 7000 tons of good merchantable fuel per acre.

Coal D.—*This valuable seam*, called locally the eight feet bed, *separated from the preceding by about* ninety feet of strata, rests on a bed of coarse

fire-clay and stigmaria shale twelve feet in thickness. The main bed, fully eight feet thick, is overlaid on Roaring Creek by another seam often itself four feet in size: but this rider appears not to be always present. They are separated by a layer of shale varying from one to four feet in thickness. Coal is taken from the main seam on the North side of Roaring Creek above the Scranton furnaces. The bed has also been opened and a mine commenced in it at the base of the bluff or plateau on the Griffin farm on the North side of the Lackawanna, one and a half miles South West of Scranton. More centrally in the coal field, this seam is lifted high above the water level of the plain of the Lackawanna, on both flanks of the Dunmore anticlinal. Descending with a gentle North dip from its Southern outcrop, and making its first basin in the valley of Roaring Creek, just above the level of the stream between the furnaces and the rolling mills, it rises in the Scranton and Dunmore spur, arching under the surface near the first named town, but coming out to the day and thereby separating into two outcrops, with the eastward lifting of this saddle in its course towards Dunmore. In the vicinity of this latter village, it is the highest of the coals mined on the hill North West of Plane No. 6. On the opposite or North Western side of the Lackawanna valley, the outcrop of the coal bed may be seen on the Leggett's Gap road, near which it is also mined, and it has been opened in one or two other places, just at the foot of the mountain, along this border of the basin. In a section or transverse belt passing through Scranton, this seam nowhere rises out to the surface or water level of the Lackawanna valley, but maintains itself under cover, even on the backs of the anticlinal undulation, and this is apparently its position until we approach at least the meridian of the village of Providence. It therefore underlies, as do the coals below it, the whole coal field of the Scranton property, if we except merely the strip between its South Eastern outcrop and the conglomerate boundary, and also a narrow, wedge-shaped tract, between its two inner outcrops on the back of the Dunmore anticlinal spur. Estimating this excellent bed of coal as possessing, on an average, a six feet thickness of good fuel,—and this much the mine at Roaring Creek seems to indicate, without counting upon anything from the rider or companion bed above it,—each acre of the property embracing it will contain 10,000 tons.

Coal E.—Above the last named important bed, at an interval of about eleven feet on Roaring Creek, there lies a smaller seam only two feet in thickness, and not capacious enough to be mined. It is immediately underlaid by the usual floor of stigmaria shale, which in this instance contains very large, irregularly spherical lumps of clay iron ore, or argillaceous carbonate of iron, scattered through it. This bed of shale is one of the chief horizons for this district of the nodular variety of iron ore so characteristic of the coal measures generally. The coal bed is not included in my estimate of the available mineral wealth of the basin.

Coal F.—This is called in the district the Big vein of Scranton, or the fourteen feet coal. On Roaring Creek it is separated from the small bed E below it, by from seven to twelve feet of black slate, shale and micaceous shaly sandstone, the variable thickness and composition of which imply that the lesser coal may in some localities approach the greater so closely as to constitute a lower bench of this, and thus augment its thickness. At the Furnaces on Roaring Creek, where the large seam makes its most Southern flat and gentle basin just at the water level of the stream, its size is about twelve feet, and its yield of good coal is not more than seven and a half feet; but at the base of the hill of the Griffin farm, near the edge of the Lackawanna, its thickness is almost fifteen feet, and the newly opened mine there promises to produce from this some ten or twelve feet of excellent marketable coal. North of Scranton, where the anticlinal next North of the main Dunmore axis brings it to the surface on Pine Brook, it is successfully mined from the water level gently upward towards the South in the Sandbank mine, and *here the bed is of its average* thickness of fourteen feet, and yields of good *coal, some benches of which* are of very superior quality, a thickness of eleven *feet. This seam is mined to* a limited extent at Leggett's Gap on a gentle *South dip in the ravine below the railroad.* It is there twelve feet in thick-

acres. We thus see that it spreads widely underneath the Scranton section of the basin. It is, however, like all the coals, lifted and depressed in the undulations which traverse the coal field, and is even brought to the surface and washed off from the higher crests of one or two of the anticlinals. Thus the Dunmore or main Scranton axis lifts it out into two outcrops, the Northern one ranging Eastward from the Odd Fellows' Hall, at Scranton, towards Dunmore. Spreading largely under the long, gentle Northern slope of the Dunmore anticlinal ridge, it seems to reäpproach the surface, and even to crop out above its base Eastward of Scranton, by a second upward wave, the same with that of the arch on the Lackawanna, West of the town. After being thus brought easily accessible for mining, it reënters the hill a little lower down, basins gently, and again reäppears on a fourth outcrop on Pine Brook at the Sandbank mine. Then a little further it spans flatly its third undulation, and goes beneath the flats of the Lackawanna, on the Sweatland meadows, and makes a very wide basin, with only one quite gentle anticlinal wave in it, which barely brings up to the surface the coal H, two coals above this, and leaves this larger bed, at a depth still of nearly one hundred and thirty feet in the shallowest parts of this, its main central trough. From this description it must appear that a large portion of the Scranton coal estate is underlaid by this important coal seam. From twelve to fifteen thousand tons per acre of all the lands underlaid by this bed of coal, may be fairly counted upon as its net product in merchantable fuel. A more detailed examination than it has yet received, is required to determine with precision the number of acres which it occupies.

Coal G.—Between fifty-five and sixty feet above the preceding, lies the coal, often called at Scranton the upper six feet bed. It rests on clay shale, and is overlaid by micaceous sandstone. On the South side of the coal field, this seam has its Southern outcrop at the village of the operatives, just South of Roaring Creek, the valley of which stream it does not ascend Eastward quite as far as the Furnaces, but occupies this flat basin Westward from thence along the Roaring Creek and Lackawanna, as far as the synclinal structure extends, or to where the trough entirely flattens out. This state of things occurs East of the bluff hill of the Griffin farm, at the base of which this coal is entered by a drift preparatory to its being mined there. It is lifted out or washed away on the back of the main Scranton or Dunmore anticlinal, on the North dip of which it reënters the ground at the North base of the ridge on which is seated the Odd Fellows' Hall. From this locality we may trace the line of outcrop Eastward, obliquely ascending the North flank of the ridge towards Dunmore, but how far has not yet been determined. The next anticlinals to the North, which barely lift the underlying large or fourteen feet bed to the surface, throw this seam out over a belt of some breadth, till it reënters the ground again on a North dip, North of Pine Brook. In this position we may see it at the plank road bridge over the Lackawanna, and further Eastward on the road between Dunmore and Providence. Opposite Scranton, and more to the Westward, these anticlinals do not bring it to the surface, for it is, at the least, one hundred and ten feet below the bed of the Lackawanna in the highest part of the second undulation, at the arch of the coals I and K in the bluff by the river side a little West of the town. Between its line of outcrop, near Pine Brook and the Northern margin of the basin, we have no evidence of its reäppearance at the surface, though this Northern side of the coal field is too much obscured by the general covering of drift gravel to enable us at present, in the absence of extensive mining there, to ascertain the undulations which may affect it. It is mined in Leggett's Gap at the foot of the Northern mountain limit of the basin, but this is to a very trivial extent at present. The bed of coal before us has not hitherto been mined on the Scranton lands, but merely opened and well proved preparatory to mining. Other larger and equally accessible seams have been entered and wrought in preference, as promising a larger product with a given amount of labor; and the yet incomplete condition of some of the outlets to market *prohibiting that* active and general working of this coal field, *for which, in many respects,* it is admirably adapted by the accessibility, the *size and the general* excellent quality of its beds of Anthracite, none but the

very best beds are wrought. This coal seam may be safely estimated as capable of affording, of good coal, some five thousand tons per acre, for every acre it occupies on these estates.

Coal H.—This is the ten feet seam, so called, and its prevailing thickness, wherever it has been mined or even proved, in the Scranton coal field, justifies the title. Its position in the strata is about seventy feet higher than the bed G above described. It reposes on a thick bed of clay shale, with rootlets of stigmaria, and is covered by a thinner layer of a more sandy variety of the same blue rock, containing beautifully preserved ferns, lepidodendra, &c. The comparatively shallow basin of Roaring Creek between the Southern edge of the whole coal field and the main Scranton anticlinal, does not retain any portion of this layer of coal, nor, of course, of any of those still higher than it in the series. To the Westward of Scranton, however, this coal has its most Southern outcrop in what may be regarded as the prolongation of this basin, in the bluff hill of the Griffin farm on the North side of the Lackawanna, where the synclinal flexure has flattened out, and given place to only a very gentle general North dip. At Scranton, and Eastward from it, the first outcrop is North of the ridge or main anticlinal undulation of the strata, somewhere under the deep covering of drift upon which the town is built. From this position the edge of this coal must curve round Southward in advancing Westward, until, lapping over the anticlinal, which ranges under the town, it must bury itself under cover; thence to the Westward, even on the back of the anticlinal. Thus at the bluff, on the West side of the Lackawanna, the coal I, or seven feet seam, already spoken of as being there visible in a regular arch, is no more than about twenty-five feet above the water level, whereas the least space dividing it from the underlying coal H in this vicinity is not less than seventy-two feet, which places the coal we are now considering nearly fifty feet below the bed of the Lackawanna at this spot. The third anticlinal undulation, counting Northward, or that which ranges just South of the brow of the table land of Hyde Park Village, and through the Sweatland meadows, South of the base of the same range of heights further East, brings this coal into view at the base of the hills, where they make a concave sweep. Lying at some depth below the surface all along the North bank of the Lackawanna above the railroad bridge, where the next higher bed, the seven feet seam or coal I, is itself only at the water's edge in several places, it presently comes up to the level of the meadow, makes a gentle arch from a South to a very flat North dip, and goes under cover at the base of the line of hills bounding the meadow on the North West. Here at the Western end of the low grounds in the Sweatland mine, so called, the coal at a little distance North of its outcrop, basins, but with an extremely gentle curve, and soon reäscends again very gradually Northward, outcropping on this last rise, by denudation, at the foot of the high grounds or margin of the flats, and presenting a long line of frontage towards the valley exceedingly favorable for mining. It is here that the Company has established one of its best collieries. From this line, the lower or valley outcrop slowly sweeps itself Eastward and Northward, rising very gradually forward in the direction of Leggett's Gap, crossing in its course the plank road, a little West of the toll gate, and approaching the Leggett's Gap railroad somewhere near the long trussel work. Of the upper and final Northern outcrop of this wide, gently sloping plate of the coal, of the Northern side of the basin, almost nothing is at present known, so generally is the surface here concealed by drift. In my estimate of the aggregate thickness of good merchantable coal in the coal field, the average yield of the bed under consideration was set down at seven feet. This seam, the usual thickness of which is very nearly ten feet, contains more than the ordinary proportion of good fuel, and hitherto the colliers have usually extracted, I believe, nine feet of it for the market. One layer of it, amounting to sometimes one and a half feet of this thickness, is a rough but pure coal, and perhaps it has been injudicious to include this with the rest, which is a brilliant and excellent coal, of a large, square fracture, and of great heating power. The area occupied by this coal seam on these estates, both beneath and above the water level of the Lackawanna flats, amounts itself to a noble coal field,

but its precise extent in acres I am not prepared to report, in the absence of the requisite detailed surveys and a special geographical map, defining the outcrops of the individual beds. Each acre may be fairly estimated to contain of good coal some twelve thousand tons.

Coal I and K.—The principal central outcrop of these beds, which are sometimes called at Scranton the upper seven feet and five feet seams, is in the Southern face of the Hyde Park table lands, or range of high grounds about midway above their base. In this position they are seen on the road leading up the slope from the Lackawanna into the village of Hyde Park, and we may trace them Eastward along the escarpment, following nearly the level of the Leggett's Gap railroad to near the intersection of this with the turnpike road leading to Providence. In this vicinity the margin of the coal seams swings away more to the North, maintaining a course approximately parallel with that of the lower outcrop of coal H, but at a higher level in the hills and further to the North West from the railroad. Only in one short part of their course do the outcrops lie below the railroad, and this is a little Westward of the coal breaker of the mine connected with coal H, where a fault or simple dislocation, to the extent of a few feet of vertical displacement, has cast down the strata from a level of a few feet above, to one as much below the railroad track. Along this line of front, these coals present the same unusual facility of access for mining above the water level, which belongs to the valuable ten feet bed beneath them, and from which they are here separated by about eighty-five or ninety feet of strata, a very gentle dip Southward towards the valley, and a long ascending breast between the upper outcrops offering all the conditions for an excellent colliery or collieries.

There is another much narrower basin of the coal I, and of the overlying seam, coal K, which are only some twenty feet apart. This occupies a more Southern position in the valley. The middle of the trough ranges nearly with the course of the Lackawanna, past the railroad and carriage road bridges to the sudden elbow of the river, a few hundred yards West of the latter. Along this undulation, the coal I or seven feet bed lies but a small depth below the level of the stream, and at a distance of a few hundred yards above, or East of the railroad bridge, it emerges from the water level on both sides of the river: being on the North bank overlaid by the bed K, which has there been opened by a mine drift to a limited extent. This basin of these coals has on its Southern side the second anticlinal, or that which passes under the gravel plain of the town of Scranton, and is exposed in the flat arch below the bend of the Lackawanna, and on its Northern side it is bounded by the third axis, or that of the Sweatland meadow. The depressed arch just spoken of, lifts these coals over a space of a few hundred feet, for a small height above the level of the stream, permitting them to be readily identified. Still further to the South West, both of these seams of coal have been recognized and opened, preparatory to mining in the hill on the Griffin farm, overlooking the flats of the Lackawanna, and again in the ravine or dell which ascends through this plateau toward the turnpike road. In this vicinity, the coal I measures nearly eight feet in thickness, while the bed K is apparently a little thinner than it is to the East of Hyde Park.

Coal L.—Above the coal K, there is generally, at a somewhat variable distance, averaging twelve feet on the Leggett's Gap railroad, a thinner bed of coal, called L in our column, the size of which fluctuates from two to three and one-half feet. This has nowhere been detected in sufficient thickness and purity to be profitably mined.

Workable beds of iron ore very usually attend both of the last named beds; these will be mentioned again under the head of the Iron Ores of the District.

As neither the bed I nor the bed K has hitherto been wrought on to any extent beyond a drift or two near the railroad, East of Hyde Park, it is impossible to state from observation the positive average net yield of those seams in this vicinity. From the indications they present at their outcrops, and in the one or two accessible drifts already carried into them, it will be *safe, I think, to estimate* the capacity of the lower or seventh seam, at not

less than some 7000 tons to each acre, while the upper bed, or coal K, may be set down as yielding in its best localities, perhaps 4000 tons for the same superficial measure.

Coal M.—This highest coal bed of the Scranton Series is to be met with on the Griffin farm, about a mile West of Hyde Park, where it outcrops a little way below the brow of the upper plateau, only a few hundred feet South of the turnpike road, with a very flat dip towards the North. This is the only spot in this belt of high ground where it has been opened or proved, and as the old drift here visible was made several years ago, and is at present inaccessible, I have no personal observation to guide me in regard to the thickness of the coal beyond the bench caused by its outcrop, and the apparent size of the drift. From these I see no reason to doubt the accuracy of the statements given by the farmers of the neighborhood, that when the mine mouth was clear, the coal measured some eight feet in thickness. The extent of this upper bed within the property cannot be considerable, since only the higher parts and most synclinal or trough-like dipping summits of the table land can contain it.

In reviewing the foregoing descriptions in detail of the coal seams comprised within the Scranton property, it will be seen that the general summary given in the earlier pages of this Report, to the effect, that in a depth of no more than four hundred feet of strata, the net thickness of coal available for market exceeds some thirty-five feet, is here abundantly confirmed. But to bring out in a clearer light the remarkable productiveness of this portion of the lower coal measures as they present themselves near Scranton, I will assemble in a tabular form. the actual least thicknesses of the several coals within this bulk of strata, their net thickness of good coal fit for market, and the computed yield of such coal per acre from each bed.

TABLE.

Coals.	Least thicknesses.	Good coal.	Yield of good coal per acre.
K.	5 feet.	3 feet.	4,000 tons.
I.	7 "	4 1-2 "	7,000 "
H.	10 "	7 1-2 "	12 000 "
G.	6 "	3 "	5,000 "
F.	12 "	9 "	15,000 "
D.	8 "	6 "	10,000 "
C.	6 "	4 1-2 "	7,000 "
	54 feet.	37 1-2 feet.	60,000 tons.

These totals hold good, of course, only for those portions of the coal field which are underlaid by all the seven coals enumerated. If we wish to aggregate the gross amount, the net amount, and the amount per acre, contained in the four middle beds, D, F, G, and H, which lies within a thickness of strata of two hundred feet, and spread beneath every acre of the coal field, excepting only a narrow belt along its Southern border, we shall find, on summing up the columns of the Table, that the least total thickness of these coals is thirty-six feet; their yield in thickness of good coal, upwards of twenty-five feet; and their productiveness per acre, the noble ratio of 42,000 tons. * * * * * * * *

CHARACTERS AND QUALITY OF THE SCRANTON COALS.

A series of systematically conducted chemical examinations, for which I have not found leisure, is needed to enable me to determine with perfect precision the constitution of the coals of the Scranton coal field, and the relations they bear to the coals of other districts of the Anthracite region. But a careful study of their external physical structure, and of their behavior under different circumstances of combustion, and some approximate analysis made *with a view to* the main question of their general purity, have supplied me *with such satisfactory and positive* results, as will, I trust, meet all the requirements *of a preliminary description* like the present.

As a group, these Scranton coals are to be classed with the free-burning, white ash Anthracite, a very valuable variety, uniting the strength, or great *heating power* for which the true Anthracites are pre-eminent, with that readiness of kindling and activity of combustion which distinguish the firmer semi-Anthracites, and which the densest and hardest coals do not possess. Both in structure and composition the more ignitrble of these coals hold a station apparently intermediate between the most compact Anthracites nearly destitute of inflammable gases, and those more fissured and lighter varieties containing a notable amount of the carburetted hydrogen gases, and which I have elsewhere denominated the semi-Anthracites.* While the dryest and densest Anthracites include about three per cent. of their weight of inflammable gases, and the semi Anthracite some seven or eight per cent., these Lackawanna coals, on the verge, as it were, of the class of Anthracites or flameless coals, possess an average as much as five per cent. of these free-burning elements. And so, again, in respect to the structure of these coals. In the hardest and dryest Anthracites, the beds are imperfectly and irregularly jointed, the fissures being few and wide apart; and on the other hand, in the semi-Anthracites, these crevices are parallel and very close together, averaging two or three in an inch; but in this group of the less dense and quicker kindling Anthracites, the joints, though regular and parallel, are intermediate in degree of frequency, not occurring oftener than once in every two or three or four inches. As a large proportion of these natural fissures commence and end within the same band, they permit the coal to be hewed and transported in chunks as massive and as solid as need be desired, while they impart to the coal, when intentionally broken up, a prevalence of the square or cubical shape. This feature seems to be attended with at least two decided advantages: one is, that it assists materially the closer stowage of the fuel, an element of much importance in ocean navigation; and the other is, that it facilitates the kindling and ready burning of the coal, by the multiplicity and sharpness of the corners and edges exposed to the heat and the current of air during combustion.

In point of purity or freedom from earthy matter, these coals of the vicinity of Scranton will compare favorably with the beds of the corresponding lower white ash group of the Lackawanna and Wyoming basin generally, and indeed, with the better class of Anthracites anywhere throughout the coal region. Analysis shows that the portions which are mined for transportation, contain not more than six or eight per cent. of ashes, and this, it is well known, is a low proportion for merchantable Anthracite coals. The earthy residue of these coals, being of the kind called white ashes, consisting chiefly of silica and alumina, and containing but little alkali, lime, or oxide of iron, and being capable therefore of withstanding a high heat without melting, or more than softening into a spongy cinder, are exempt from the serious defect of producing the hard, stony clinker caused generally by the red ash, and often by the so-called grey ash Anthracites.

The proportion of solid carbon—the amount of which in coals, from the best practical researches on fuel, must be accepted as very nearly the measure of their absolute heating strength—is, in the instance of these Scranton Anthracites, about eighty-seven to eighty-eight per cent. of the whole mass, a ratio only about two per cent. less than distinguishes the dryest or least gaseous varieties in the Lehigh coal fields, while the difference is amply compensated for in the gain of this amount of ignitable, inflammable gases—hydrogen and carburetted hydrogen,—which serve materially to increase the promptness of kindling, and rapidity of burning, or the total amount of heat evolved in a given time.

These Scranton coals, in their comparative purity or freedom from earthy matters, and large amount of carbon, in their possession of a moderate density and some free inflammable gas, and in their square mode of fracture, combine in a high degree the three chief essential attributes of a superior fuel, namely, great absolute heating strength, quick ignitability or activity of combustion, and the power of packing closely. Other coals may surpass them in some one

* *See an Essay on the combustible qualities of the semi-Anthracites of the Shamokin coal field.*

of these qualifications to a small extent, but I doubt if, on a fair experimental comparison of properties, any will be found to combine a larger total of efficiency in all these several ways.

With a view to exhibit more distinctly the excellences of the class of free-burning white ash Anthracites, such as these I have above described, I will conclude this Essay with a condensed survey of the principal qualities essential to a good fuel for producing steam, or for domestic uses:—

1. It should possess great actual heating power.

2. As far as consistent with the foregoing, it should kindle quickly, and burn fast, generating the largest amount of heat in the shortest time.

3. Its earthy matter should be small in quantity, and difficult to fuse; it will thus make little clinker, demand but little raking of its fires, and undergo but little waste in consequence.

4. It should contain but little sulphur.

5. The volatile ingredients of the coal should be free inflammable gases, not bituminous matters forming smoke; and they ought to be barely abundant enough to assist rapidity of combustion, as the larger the proportion of fixed carbon, the greater seems the heating power.

6. They should not be too tender on the fire, nor yet too refractory; a certain tendency to fall to pieces spontaneously while burning, but not an over amount of this, is a great desideratum, as it confers activity and steadiness of combustion; too much of it impedes combustion by increasing the friction of the air passing through the fire.

7. The lower the temperature at which an Anthracite will kindle and maintain itself burning, the more manageable, more active, and more economical will it prove.

8. The better a coal unites the tenacity necessary for economical transportation, with this medium amount of frangibility on the fire, the larger the effective result of a given quantity, from the time it leaves the mine.

9. And the greater the aggregate of positive heating power, rapidity of combustion, and compactness of stowage compatibly assembled in a coal, the nearer does it approach the ideal standard of a perfect fuel.

Respectfully submitted,

By your obedient servant,

HENRY D. ROGERS.

Boston, Jan. 21st, 1854.

Extracts from the recent Report of the SYRACUSE AND BINGHAMTON RAIL-ROAD COMPANY, *showing the importance of that road as a link in the most direct route from New-York to Lake Ontario and Canada, and as an outlet to a large market for the Company's coal.*

* * * * * * * * *

"As it has always been a desideratum to form an unbroken connection between Lake Erie and the Atlantic at the City of New-York, by the most direct route possible, two great lines of Rail-way have been constructed, at a cost, as their respective capitals now stand, of over $80,000 per mile, each, with but a single track for half the length of their lines, and these roads are not only regular dividend paying roads, one of them yielding over 10 per cent.; but their capacity is inadequate to the business for which they were designed. It will be seen that it is no less a desideratum to secure an equally direct and efficient outlet for the trade and travel of Lake Ontario, when the character of that trade is investigated.

If this can be best accomplished by a road running north and south, connecting the most important point beyond all comparison on Lake Ontario, to wit, the City of Oswego, with not only the City of New-York, but that of Philadelphia, and by the shortest distance, compatible with the geographical structure of the country, and at a cost of one-third to one-half that of any other now existing, taking its course through a country unsurpassed for cultivation, agricultural and mineral resources. Who can doubt the profitable character of the operations of such a line, or fail to see that it must ever continue to be the route for the whole chain of Lakes from Chicago to the Atlantic. Such we claim to be the central north and south line of Rail-way of which the Syracuse and Binghamton forms a link.

The existing Oswego and Syracuse Road, commencing at the City of Oswego, connects directly with our road at Syracuse, which runs thence direct to Binghampton, where it strikes the Erie Road, and will use for the present at least fifteen miles of it to the Great Bend; at that point, the Delaware, Lackawanna and Western Road begins, running south to Scranton, in the centre of the coal fields of Pennsylvania, and proceed to the water gap of the Delaware, where it unites with the New-Jersey Central, and by it connects with the City of New-York. At the Water Gap, the Delaware, Lackawanna and Western Road, will also strike the Philadelphia, Eastern and Water Gap Road leading direct to Philadelphia. To recapitulate with their respective distances:

Oswego and Syracuse Rail-Road,	35 miles.
Syracuse and Binghamton Rail-Road,	80 "
Binghamton to Scranton Coal Fields,	62 "
Scranton to New-York, via. New-Jersey Central,	125 "
Making, from Oswego to New-York,	302 "
From Oswego to Philedelphia,	323 "

It may, therefore, be regarded as a settled question, that the Syracuse and Binghamton Rail-Road will connect with lines of the same guage to New-York and Philadelphia, and effect a saving of distance from Syracuse to New-York of at least thirty miles, and a saving of about 100 miles to Philadelphia—sufficient to insure a full share of the travel going south and to New-York. All the roads above alluded to will be six feet guage roads, except the Oswego and Syracuse, which road will, beyond a question, alter its guage to correspond, as a failure to do so would force a parallel road to the same point.

RESOURCES.

We would now ask your careful attention to the commercial features bearing on our enterprise.

Before giving more detailed statistics on this subject, we will quote from a *carefully prepared report,* emenating from a committee composed of the most

practical men in the City of Syracuse, such as Messrs. John Wilkinson, Hiram Putnam, and others, who had this subject under consideration in 1850, which was as follows:

"Aware that the question of productiveness is, after all, the grand test with monied men in matters of this kind, your committee have given to this view of the subject their main attention, and they are most happy to announce to their fellow-citizens, that, if they are not altogether deceived, *the stock of this road, when constructed, will be found to be among the best paying stocks in the State.*

"In the first place, it will constitute one link in the great chain of rail-road communication, running from the north to the south bounds of the United States, terminating on the north at Oswego, and on the south at Mobile, and passing through a country rich in mineral and agricultural wealth, and through numerous villages, and some of the principal cities of the Union. With this constructed, there would remain about 40 miles to connect us with the rail-roads of Pennsylvania—thus giving us a direct route across the country to Philadelphia, Baltimore and Washington, and at the same time bringing us in connection with the North Branch Canals in the State of Pennsylvania.

"Such are some of the general views in regard to the proposed measure; and were there no other, could we hesitate for a moment to its adoption? But for the purpose of arriving at a certainty as to *paying* results, your committee beg leave to present the following facts:

"1st, The road is just about the right length to be profitably run. From 70 to 100 miles is about as far as a locomotive engine and cars should be run at any one time, and the distance is, therefore, the right distance for profitable and paying stock.

"2d, The coal to be transported over it from the rich mines of Pennsylvania, and the salt, gypsum, gray and water lime, flour, lumber, stock, grain and merchandise, would, of themselves, in the opinion of your committee, be quite sufficient, independent of passengers, to warrant its construction.

"First of coal. With this road constructed, coal would, to a great extent, in the article of fuel, in consequence of its cheapness, take the place of wood."

The consumption of the article of wood in this city alone for the manufacture of salt and other purposes, is estimated at 300,000 cords per annum. One ton of coal being equal to two cords of wood, which is considerably below its actual value, suppose coal should be substituted for one-half of the wood now consumed, it would require 75,000 tons to supply this market alone, which, at one dollar per ton for transportation, and which is believed to be a fair compensation, would amount to $75,000

Add one-third of that amount for supplying the steamboats on Lake Ontario, and the country west, and which would be shipped on the Erie Canal from this place for manufactures, which would spring up here and at other points, in consequence of this reduced cost of fuel, and for all other purposes, 25,000 more, it would give 25,000

Then add for return freight, salt, gypsum, lime, hydraulic cement, lumber, flour from the Oswego mills and other places, grain, neat stock, and other produce, 38,000 tons, equal to . . 75,000

Making, on all these articles alone, ... $175,000

Add to these, for merchandise to be shipped from New-York, Philadelphia, Baltimore, and other places, including cast, pig and bar iron and nails, from the mines of Pennsylvania, 25,000 tons, equal to $25.000

And it gives the gross sum of $200,000

And let it be borne in mind that these estimates are according to the present wants of the country, without taking into calculation the great increase from the increased facilities and rapid growth of the country, and it will be seen that *from these sources alone the road* would make rich returns to its stockholders.

But to this must be added the transportation of through and way passengers, and transportation of the mail, and which are estimated as follows, viz:

Through passengers, 200 per day, at 2c. per mile, ...	$87,640
Way passengers, 100 per day, at $1 each, ...	31,300
Transportation of the mail at $150 per mile, ...	10,500
Making, of probable rates, a grand total of	239,440
The expense of running the road, including ordinary repairs, per annum, three daily trains each way, is estimated at . . .	107,482
This being deducted, leaves a net balance of	$221,958

or about 14 per cent. for annual dividends.

We might give more from this report, characterized as it was by the experience and far-sightedness of those who prepared it.

In considering the bearing of the coal traffic on this road, on which so much reliance is placed by the committee alluded to, we are convinced that those calculations will fall very much short of the reality, and this is demonstrated by occurrences since the date of that report.

One cause of the great attraction for vessels to the Port of Oswego is the certainty of a ballast freight *up* the Lakes, on their return for the agricultural products of the West, in the shape of salt, of which over 500,000 bbls. now find their way annually to Western markets. When anthracite coal shall be added to this, it being well adapted to the purpose, the increase of vessels will keep down the rate of freight; for, like the salt, the supply may always be equal to the demand, and that demand will always increase, as the cost of transportation is low.

This is apparent, from the fact that the value of the coal in the bed is almost nominal, not exceeding ten cents per ton. By reason of the nearness of all the coal in the Lackawanna Valley to the surface, it can be delivered at the mouth of the pit, or opening in the hill sides, at a cost of 50 cents per ton, leaving all the residue of value at the market of consumption for transportation and other purposes. At that period, the southern connection, by prospective roads, existed only in imagination—it has now become a settled reality, and, of necessity, adds largely to the estimates then given. In addition to this, two problems have been definitely settled by practical experience, to wit: The adaptation of anthracite coal to the propelling of locomotives, and the manufacture of salt. Here let me remark that at this time, owing to the very prospective scarcity of wood, alluded to by that committee, wood has already doubled in price in the Syracuse market, as has the article of salt.

A manufacturer of that article, who has adopted the use of anthracite coal, now informs me that such is the saving in the use of that fuel, as compared with wood, that coal must eventually take the place of wood.

I will now add, from the first named report of our Engineer, Mr. Gilbert, the impressions forced on his mind, after turning his undivided attention to this subject during the preceding year of his connection with the work.

"The result of our surveys and estimates show that a first-class road can be constructed at a moderate expense. The deep interest which the country (through which the line passes) has taken in the project, may be judged of by the liberal subscriptions, and reasonable terms made for the right of way. In conclusion, I will briefly allude to the character and amount of business that will be accommodated by this line of road.

"The district through which the line passes, is densely settled. Several large and flourishing villages are situated upon the immediate line of road, with a surrounding country rich in agricultural and dairy products, that will compare favorably with the best portions of the State.

"It has been ascertained by careful investigation, that the adult male population that will be accommodated, is equal to 300 for each mile of road. From similar results known to hold good on other roads, we may estimate the annual income from this source at $48,000. This is assuming an average of $2 for each male inhabitant, and is much below the amount derived from the same source on the New-York and Erie Road, before it reached its Western terminus.

"The *amount of tonnage* estimated as way freight has been made up from the *present business of the country*, and without any allowance that may reasonably

ANTHRACITE COAL TRADE

OF THE UNITED STATES.

The following Table exhibits the quantity of Anthracite Coal sent to market from the different regions in Pennsylvania, from the commencement of the Trade, in 1820, to 1852, inclusive; together with the Annual Increase.

Yrs.	Sch'lkill.	Lehigh.	Lacka.	Pittst'n	Scran-ton.	Other regions	Aggreg'te	Annual Increase.	Increase in each five years.
1820	.....	365	.....	.....	.....	.....	365	.....	.....
1821	.....	1.073	.....	.....	.....	.....	1.073	.....	.....
1822	.....	2.240	.....	.....	.....	.....	2.240	.....	.....
1823	.....	5.823	.....	.....	.....	.....	5.823	.....	.....
1824	.....	9.541	.....	.....	.....	.....	9.541	.....	19.042
1825	6.500	28.393	.....	.....	.....	.....	34.893	25.352	.....
1826	16.767	31.280	.....	.....	.....	.....	48.047	13.154	.....
1827	31.360	32.074	.....	.....	.....	.....	63.434	15.837	.....
1828	47.284	30.232	.....	.....	.....	.....	77.516	14.082	.....
1829	79.973	25.110	7.000	.....	.....	.....	112.083	34.567	335.973
1830	89.984	41.750	43.000	.....	.....	.....	174.734	62.651	.....
1831	81.854	40.966	54.000	.....	.....	.....	176.820	2.086	.....
1832	209.271	70.000	84.600	.....	.....	.....	363.871	187.051	.....
1833	252.971	123.000	111.777	.....	.....	.....	487.748	123.877	.....
1834	226.692	106.244	43.700	.....	.....	.....	376.636	decrease.	1.579.809
1835	339.508	131.250	90.000	.....	.....	.....	560.758	184.122	.....
1836	432.045	148.211	103.861	.....	.....	.....	682.428	121.670	.....
1837	523.152	223.902	115.387	.....	.....	.....	881.476	199.048	.....
1838	433.875	213.615	78.207	.....	.....	.....	739.293	decrease.	.....
1839	442.608	221.025	122.300	.....	.....	11.930	819.327	80.034	3.683.282
1840	452.291	225.318	148.470	.....	.....	15.505	865.414	46.087	.....
1841	584.692	143.037	192.270	.....	.....	21.463	958.899	93.485	.....
1842	540.892	272.546	205.253	.....	.....	57.346	1.108.001	149.102	.....
1843	677.295	267.793	227.605	.....	.....	68.000	1.263.539	155.538	.....
1844	839.934	377.002	251.005	.....	.....	127.993	1.631.669	368.130	5.627.552
1845	1.083.796	429.453	273.435	.....	.....	188.401	2.023.052	391.783	.....
1846	1.237.002	523.002	320.000	.....	.....	205.075	2.343.992	320.940	.....
1847	1.583.374	643.973	388.203	.....	.....	299.302	2.982.303	638.317	.....
1848	1.652.835	680.746	437.500	.....	.....	256.627	3.089.238	106.929	.....
1849	1.605.126	801.246	454.240	.....	.....	303.736	3.242.541	153.403	13.681.132
1850	1.712.007	722.622	432.339	111.014	.....	276.339	3.254.321	11.780	.....
1851	2.184.240	989.296	472.478	316.017	.....	415.099	4.377.130	1.122.809	.....
1852	2.452.026	1 114.026	497.839	426.164	.....	439.342	4.925.695	548.565	.....
1853	.....	.....	.....	512.659	97.238	.....	.....	.....	.....

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SECOND ANNUAL REPORT

SATTERLEE & CO

OF THE

BOARD OF MANAGERS

OF THE

Delaware, Lackawanna & Western Rail-Road Co.

TO THE STOCKHOLDERS.

JANUARY, 1855.

New-York:
NESBITT & CO., PRINTERS AND STATIONERS, COR. WALL AND WATER STS.
1855.

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PROCEEDING

AT THE

ANNUAL MEETING OF THE STOCKHOLDERS.

At the annual meeting of the Stockholders of the Delaware, Lackawanna and Western Railroad Company, held, in pursuance of public notice, at the office of the Company, No. 49 Wall-street, New-York, on Monday, 1st January, 1855, Lothrop L. Sturges, Esq., was appointed Chairman, and William E. Warren, Secretary.

The Inspectors appointed to conduct the election for Officers and Managers of the Company for the ensuing year, announced the result thereof to be the unanimous election of the following gentlemen to the several offices stated opposite their respective names, viz.:—

GEORGE D. PHELPS, *President.*
WILLIAM E. WARREN, *Treasurer.*
ANDREW J. ODELL, *Secretary.*

MANAGERS.

DRAKE MILLS,	GEORGE W. SCRANTON,
JOHN J. PHELPS,	ROSWELL SPRAGUE,
WILLIAM E. DODGE,	MOSES TAYLOR,
GEORGE BULKLEY,	JOHN BRADLEY,*
JOHN I. BLAIR,	of New Haven, Conn.,

HENRY YOUNG.

The following preamble and resolutions were then submitted by George D. Phelps, Esq., and unanimously adopted:—

---

* Mr. Bradley having since resigned, Mr. Samuel Willets, (President of the *American Exchange Bank,*) of the city of New-York, has been elected to fill *the vacancy.*

Whereas, At a stated meeting of the Board of Managers of this Company, held at their office, on Friday, December 29th, 1854, it was, among other things,

Resolved, "That the Stockholders be requested, at their annual meeting, to be held on the 1st proximo, to appoint an adjourned meeting, to be held at the office of the Company, on Friday, the 12th of January, for the purpose of receiving a report of the earnings and general prospects of the road, and to transact OTHER IMPORTANT BUSINESS which will be brought before them at that time." Therefore,

Resolved, That this meeting adjourn, to meet at this office on Friday, the 12th inst., at 3 o'clock P. M.

LOTHROP L. STURGES, *Chairman.*

WM. E. WARREN, *Secretary.*

NEW-YORK, *January* 1, 1855.

At an adjourned meeting of the Stockholders of the Delaware, Lackawanna and Western Railroad Company, held at the office of the Company, No. 49 Wall-street, New-York, on Friday, the 12th January, 1855, the chair was occupied by LOTHROP L. STURGES, Esq., and WILLIAM E. WARREN acted as Secretary.

The minutes of the proceedings of the meeting held on the 1st instant, were read and approved.

The objects of the present meeting having been explained by GEORGE D. PHELPS, Esq., President of the Company, JOHN J. PHELPS, Esq., Chairman of the Finance Committee of the Board of Managers, proceeded to state the results of the last year's business, and the present condition and prospects of the Company; also, the action of the Finance Committee and Board of Managers, in relation to providing means for the completion of the Southern Division of the railroad, and the recommendation of the Board of Managers for that purpose, to wit:—

That there be issued the sum of $1,500,000 in Bonds of the Company, having twenty years to run, and bearing seven per cent. interest, the same to be secured by mortgage (to be executed to Moses Taylor and L. A. Von Hoffmann, Trustees) on the Southern Division, and to be made transferable, at the pleasure of the holders thereof, only on the books of the Company, and convertible into the capital stock of the Company at par, until 1st April, 1860, from which time a Sinking Fund to be commenced, by semi-annual payments to be made to the United States Trust Company of the City of New-York, sufficient in amount, with the accruing interest thereon, *to provide for* the payment at their maturity of the

whole amount of said Bonds which may have been issued and not converted into the capital stock before said 1st day of April, 1860. Said The United States Trust Company of the City of New-York, to be authorized to invest the said Sinking Fund, from time to time, in the purchase of said Bonds, at a price not exceeding five per cent. above their par value, so long as the same can be obtained within said limit; and when said Bonds cannot be so obtained, then the said Sinking Fund to be invested in Bonds and Mortgages, or other securities, to be approved by the Board of Managers of this Company. Of the said amount of $1,500,000 in Bonds, the sum of $900,000 to be issued on and after 1st February next, and the remaining $600,000 as soon as the same may be required after the necessary legislative authority shall have been obtained for such purpose. That said sum of $900,000 be first offered to the Stockholders of the Company *pro rata*, in proportion to the amount of capital stock held by them respectively on 1st January, inst.,—the price thereof being fixed at eighty per cent. on their par value,—payable as follows:—Twenty per cent. in cash, on or before the 1st February next, and the remainder in monthly installments of ten per cent. each, for which notes are to be taken, payable on the 1st of every month, in the city of New-York, interest from and after 1st of February being added in the amount of same; and such of the Bonds as are not wanted or taken by the Stockholders within a suitable time, to be disposed of to other parties.

A Report, from the Treasurer of the Company, containing an abstract of the cash receipts and disbursements during the past year, and a statement of the present financial condition of the Company, also a very satisfactory account of the earnings of the Northern Division of the railroad, and the revenue derived from the sales of coal, was then submitted and read, and, after remarks by several gentlemen present, on motion of WILLIAM E. DODGE, Esq., duly seconded, it was

Resolved, That the Report and exhibit of the operations of the Company for the past year, from which abstracts have now been submitted and read, be referred to the Board of Managers, to be printed, under their direction, with their Annual Report, and that copies thereof be forwarded to the several Stockholders of the Company.

The subject of disposing of the proposed issue of $900,000 of Bonds having been discussed, on motion of THOMAS TILESTON, Esq., duly seconded, it was unanimously

Resolved, That the recommendation of the Board of Managers, in regard to the terms and conditions of said Bonds, and the price and manner of disposing of the same, be and the same is hereby approved.

Some remarks were then made in reference to the length of time within which the Stockholders shall have the option to take their *pro rata* proportion of said Bonds, when it was suggested that the subject be referred to the Board of Managers, which was agreed to.

On motion, it was then

Resolved, That the Secretary be requested to call the names of the Stockholders, and that such of them as are now present be desired to signify, when their names are called, the number of said Bonds which they desire to have, and are prepared to subscribe for and take, at the price and on the conditions which have been fixed for the same.

The names of the Stockholders were then called accordingly, and the number of Bonds spoken for by those present was ascertained to amount to something over $600,000; whereupon, on motion, the meeting adjourned *sine die*.

LOTHROP L. STURGES, *Chairman*.

WM. E. WARREN, *Secretary*.

NEW-YORK, *January* 12*th*, 1855.

OFFICERS

OF THE

Delaware, Lackawanna & Western Rail-Road Co.

FOR 1855.

GEORGE D. PHELPS,.....PRESIDENT.
DRAKE MILLS,.....*Vice-President.*
WILLIAM E. WARREN,.....*Treasurer.*
ANDREW J. ODELL,.....*Secretary.*

MANAGERS.

DRAKE MILLS,	GEORGE W. SCRANTON,
JOHN J. PHELPS,	ROSWELL SPRAGUE,
WILLIAM E. DODGE,	MOSES TAYLOR,
GEORGE BULKLEY,	HENRY YOUNG,
JOHN I. BLAIR,	SAMUEL WILLETS,

WILLIAM E. WARREN, *ex-officio.*

STANDING COMMITTEES.

Executive Committee.	*Finance Committee.*
DRAKE MILLS,	JOHN J. PHELPS,
GEORGE BULKLEY,	MOSES TAYLOR,
ROSWELL SPRAGUE,	SAMUEL WILLETS.
WM. E. DODGE.	

Committee on Accounts.
HENRY YOUNG, MOSES TAYLOR,
JOHN I. BLAIR.

OFFICERS AT SCRANTON, PA.

JAMES ARCHBALD,.....GENERAL AGENT.
EDWIN McNEILL,.....*Chief Engineer.*
D. H. DOTTERER,.....*Superintendent.*
JOSEPH J. ALBRIGHT,.....*General Coal Agent.*
F. J. LEAVENWORTH,.....*Pay-Master.*
HENRY L. MARVINE,.....*Clerk of Machine and Car Shops and Foundry.*
WM. N. JENKS,.....*General Freight and Ticket Agent.*

REPORT.

The President and Board of Managers of the Delaware, Lackawanna and Western Railroad Company, in presenting their Second Annual Report to the Stockholders,* would congratulate them upon the prosperity which has attended their operations through the past year, and the very favorable prospects which open before them in the future.

These operations have been steadily carried forward in every department, notwithstanding the extraordinary embarrassments of the times, and with all that success which it was reasonable to expect. Good progress has been made in the work of constructing the road; and although the Southern Division will not be entirely completed at the time assigned in last year's Report, yet, from the statements of the Chief Engineer, we are encouraged to believe that the time of such completion will not be long delayed. The business done on that portion of the road already in operation, has greatly increased, equaling fully our utmost expectations in that respect. The operations of the coal department have also been enlarged, increasing proportionally the quantity of coal forwarded to market; while the demand for it has been steady, and constantly increasing in a yet greater ratio.

For a particular exhibit of the details of these operations, the Board would refer to the annexed reports of the several Heads of Department, of which the following is a brief summary.

SOUTHERN DIVISION.

Soon after the consolidation of the Delaware and Cobb's Gap R. R. Company with this, in 1853, John I. Blair, Esq.,

* For a brief history of the enterprise, and the operations of the Company up to December 31, 1853, see last year's Report—copies of which can be had at the office of the *Company, in New-York.*

was appointed Land Agent for this Division, for procuring the right of way—a duty which had been previously commenced by him in behalf of the former Company. From statements made by him, it would appear that the expenditures incurred for the right of way will not exceed—perhaps will fall within—the original estimates for that purpose, to wit, $30,000.

The amount of work done in the construction of this Division, and the estimated amount still requisite for its completion, are shown in the report of the Chief Engineer. The actual expenditures for this object during the year have been,

FOR THE RAILROAD.

Office Expenses and Stationery,	$4,788 79
Engineer Department,	12,996 75
Agency,	196 00
Land, Land Damages and Fences,	10,896 48
Grading,	725,798 64
Truss Bridges,	55,395 91
Superstructure,	5,141 26
Iron,	224,792 94
Contingencies,	317 50

FOR BUILDINGS.

Engine and Car Houses,	26 43
Machine and Work Shops,	12 25
Freight and Passenger Stations,	2,505 92
Water Stations and Wood Sheds,	0 00
Interest,	0 00
Total,	$1,042,898 87
The expenditures on this account previous to Jan. 1, 1854, as per last Annual Report, were,	180,066 06
Total cost to this date,	$1,222,964 93

In judging of the rate of progress with which the work has been carried forward, it should be remembered what *peculiar* and very serious obstacles have been encountered.

The region through which the road is to pass, is remote from the ordinary lines of communication, and from market, rendering it difficult of access for men and materials. The surface of the country is mountainous and rough, and the soil exceedingly hard, making the working of it slow and laborious. The cost of provisions and materials, otherwise high, has been much enhanced by the difficulty of their transportation, and, in connection with the unusually high prices of labor during the year, has caused embarrassments to contractors, and in some cases failures; the unavoidable consequences of which have been interruptions and delays. In some cases the Board have deemed it judicious, in order to obviate the losses that must result from such delays, to expedite the work by measures involving some increase of cost for labor and materials.

With a view to the same end, the Board have recently secured the exclusive services of their Chief Engineer, Edwin McNeill, Esq., whose time hitherto, has been, in part, employed elswhere, but who will now devote his whole care to push forward the road as fast as possible. This measure, together with the recent abatement in the scarcity of laborers, and the price of labor, warrants the strong expectation of a speedy opening of the entire road for business, we trust, as soon as 1st September next.

NORTHERN DIVISION.

It will be remembered that this part of the road began to be used immediately after the track was laid, and while the road itself was in many respects unfinished. Consequently, the work of completing it has been necessarily going on, and some part of it still remains to be done.

The great tunnel through the Tunkhannock Mountain was completed in April last, and the event celebrated by an excursion upon the road, given to the employees of the Company and their families, and by an entertainment at Great Bend. The tunnel is 2,250 feet in length, finished in the

best manner, and is a noble work, creditable alike to those who projected and those who executed it.

While a considerable amount of work connected with the completion of this Division has been done during the year, the Board have still deemed it judicious, in view of the general embarrassments of the times, to execute only such portions of it as were immediately necessary for the safety of the road, deferring the remainder to another season; the better to enable them to urge forward the work on the Southern Division.

The procuring of the right of way on this Division, and settlement for the same, was committed to H. W. Nicholson, Esq., under the advice and direction of the late General Agent, Col. Scranton. This duty, through his efficient management, has been nearly completed; a few cases only remaining unsettled, which are still in his hands, he continuing to be retained as the principal legal counsel for the Company.

The expenditures, on account of construction on this Division the past year, have been as follows:—

FOR THE RAILROAD.

Office Expenses and Stationery,	$596 50
Engineer Department and Agency,	9,238 31
Land, Land Damages and Fences,	7,642 34
Grading,	98,756 92
Truss Bridges,	127 01
Superstructure,	10,217 29
Iron,	14,000 66
Contingencies,	74 18

FOR BUILDINGS.

Engine and Car Houses,	15,606 83
Machine and Work Shops,	5,093 71
Freight and Passenger Stations,	419 87
Water Stations and Wood Sheds,	4,751 12
Interest,	0 00
Total,	$166,524 74
Amount previously expended, as per last Annual Report,	2,162,048 75
Whole amount,	$2,328,573 49

GENERAL EXPENDITURE.

Under this head is charged the cost of the *equipment* of the road,—embracing such items of the Construction Account as are not chargeable exclusively to either Division.

There have been purchased, during the year, six locomotive engines; two of which are specially constructed for burning anthracite coal. Four hundred and ninety-three coal and freight cars have been built at the Company's shops at Scranton. The whole cost of these has been as follows:—

Machinery and Tools for Shops,	$5,345 66
Locomotives and Tenders,	68,277 81
Passenger and Baggage Cars,	391 57
Freight Cars,	18,349 71
Coal cars,	99,453 00
Fire-engine, Hose, &c.,	678 65
Office Expenses and Stationery,	556 31
Total,	$193,052 71
Previously expended,	395,724 64
Whole amount,	$588,777 35

For the details of the equipment of the road, see the Superintendent's Report.

RECAPITULATION.

It will be seen from the foregoing, that the whole cost of the railroad, and its equipment, to December 31, 1854, is as follows:—

NORTHERN DIVISION.—Including engineering, right of way, grading, bridging, superstructure, iron, station-houses, machine and work shops, water-stations and wood-sheds, and all other items,	$2,328,573 49
GENERAL EXPENDITURE.—For equipment of locomotives, passenger, freight, and coal cars, and the machinery and tools for shops,	588,777 35
SOUTHERN DIVISION.—For amount of expenditures, as stated on page 8,	1,222,964 93
Total,	$4,140,315,77

TRANSPORTATION DEPARTMENT.

The results of the operations in this department, as exhibited in the report of the Superintendent, are very gratifying.

The gross earnings amount to.....	$267,405 39
The expenses of operating and repairs of the road, repairs of machinery and cars, superintendence, &c.,.....	127,809 95
Net revenue,	$139,595 44

The Board anticipate an increase of business hereafter, far surpassing what has been attained hitherto, and such, it is believed, as will satisfy the most sanguine expectations of the Stockholders.

MACHINE AND CAR SHOPS, AND FOUNDRY.

The report of the Clerk of these establishments for the year, shows the following results.

DR.

Amount of stock of materials on hand, December 31, 1853,.....		$44,824 39
Amount of materials purchased during the year,.....		156,579 55
Amount paid for labor,.....		60,568 92
Total,		$261,972 86

CR.

By amount of work done, viz.:		
For construction of Northern Division,.....	$10,557 83	
For construction of Southern Division,.....	3,757 09	
For construction on account of general expenditure, for new cars, &c.,.....	120,575 62	
Amounts carried forward,	$134,890 54	$261,972 86

Amounts brought forward,	$134,890 54	$261,972 86
For Coal Department,.....	8,988 42	
For transportation expenses, repairs of engines, cars, &c., &c.,..	41,535 15	
For sundry contractors on Southern Division, and others,.....	18,703 33	
For stock of materials on hand December 31, 1854, as per inventory,.....	60,054 64	
		264,172 08
Surplus—(to be applied to depreciation in value of machinery),		$2,199 22

COAL DEPARTMENT.

The business in this department has been conducted under the superintendence of Mr. J. J. Albright, General Coal Agent, whose interesting report is annexed.

It will be seen from his statement, that the quantity of coal sent to market during the year, is less than was predicted in the last Annual Report. Numerous and unavoidable hindrances have conspired to this effect, a part of which are mentioned by Mr. Albright. The deficiency, it is believed, will be satisfactorily accounted for by them to the Stockholders.

The total quantity forwarded, was.....	133,964 tons.
" " last year,.....	97,238 "
Increase, equal to 38 per cent.,.....	36,726 "
Of this quantity, there were mined by the Company,.....	100,060 "
Mined by the Company, last year,.....	75,347 "
Increase, equal to 33 per cent.,.....	24,713 "

The stock of coal on hand December 31, 1853, was		4,024.17 tons.
Amount mined by the Company in 1854,	100,060.10	
Amount purchased from other parties,	33,904.05	
		133,964.15 "
Total,		137,989.12 "
Of which were sold and delivered,		129,357.17 "
Leaving stock on hand December 31, 1854,		8,631.15 "
The total sales, as above stated, produced the gross sum of		$486,849 90
Collected from H. D. Hatch, on account of sales in 1852,		83 75
Rents Collected,		570 00
The estimated value of stock remaining on hand, December 31, 1854, is		24,172 05
Total,		$511,675 70
The value of coal on hand, December 31, 1853, was estimated to be	$9,117 15	
Total expenses for mining, repairs of fixtures, transportation, superintendence, &c., during the year,	362,254 98	
Total,		$371,372 13
Net revenue,		$140,303 57

The arrangements for increasing the supply of coal for the ensuing year, will, it is believed, enable the Company to furnish 300,000 tons, and it is hoped 375,000 tons, as set *forth in the report of* the General Coal Agent.

COAL DEPARTMENT—CONSTRUCTION.—An account is kept under this title, of the expenditures for opening new mines, including the first cost of the lands, and providing the requisite fixtures and apparatus for working them. The amount of said expenditures during the year has been as follows:—

For Coal Lands,.....	$82 00
" Opening Mines,.....	28,796 58
" Mine Railway and Cars,.....	5,972 95
" Horses, Mules and Harness,.....	00 00
" Coal-Breakers, and Engines,.....	56,024 97
" Mining Tools, Implements, &c.,.....	7 00
" Coal Yards and Offices,.....	528 14
" Scales, Tools, &c., for Yards,.....	614 88
" Expenses of General Office,.....	500 00
" Miners' Tenements,.....	7,858 17
" Contingencies,.....	126 48
Total,	$100,511 12

Amount previously expended,..	$163,503 44	
Less, appropriated for reimbursing cost of opening, and for depreciation in value of machinery, tools, &c., previous to Dec. 31, 1853,.....	18,081 43	
		145,422 01
		$245,933 13
Less, also, amount received for sales of Lots,.....	$627 06	
Amount received for two Engine Blowers, sold at Buffalo,.....	684 00	
		1,311 06
Total, to Dec. 31, 1854,		$244,622 07

FINANCIAL CONDITION.

The following statement shows in brief the financial condition of the Company at the close of the year, the particulars of which are exhibited in the annexed balance-sheet.

1.—Income Account. Cr.

The balance remaining to the credit of this account Dec. 31, 1853, was.....		$32,896 66
Net revenue for 1854:		
From Transportation,.....	$139,595 44	
" Coal,.....	140,303 57	
" Rents,.....	3,467 76	
		283,366 77
Total,		$316,263 43

Dr.

To interest on Bonds—$900,000,	$63,000 00	
" Stock,.....	140,151 49	
" Floating debt,....	7,730 79	
		210,882 28
Balance,		$105,381 15

2.—General Account. Dr.

To cost of construction and equipment of the railroad,.....	$4,140,365 77
To cost of coal lands and mining improvements,.....	244,622 07
To cost of materials on hand, including wood for fuel, and stock of materials at the shops,.....	62,099 65
Value of coal on hand, 8,631 15-20 tons,..	24,172 05
Stock of the Warren Railroad Company,.	91,000 00
" Lackawanna and Bloomsburg Railroad Company,.....	40,381 76
Bills and accounts receivable,.....	220,219 63
Cash on hand, ...	13,593 33
	$4,836,454 26

2.—General Account. Cr.

By capital stock, amount paid in,.....		$2,865,175 24
By mortgage bonds of 1871,.....		900,000 00
By interest due on bonds Jan. 1, 1855,.....	$31,500 00	
By interest due on bonds previous to Jan. 1, 1855,.....	245 00	
By interest due on stock to Dec. 31, 1854,.....	77,810 72	
By interest due on stock previous to Dec. 31, 1854,.....	3,343 55	
		112,899 27
By bills and accounts payable,.....		852,998 60
By balance of Income Account as above,...		105,381 15
		$4,836,454 26

3.—Capital Stock.

The amount of the former capital stock was 28,822 shares, equal to.....	$1,441,100 00
The amount of subscriptions to the increased capital, after the consolidation of the Delaware and Cobb's Gap Railroad Company with this, was 31,138 shares, equal to.....	1,556,900 00
In addition, there have been issued in 1854, 150 shares, equal to.....	7,500 00
Making the total Capital, Dec. 31, 1854,	$3,005,500 00

Of the subscriptions to the increased capital there was paid in, previous to Jan. 1, 1855, the sum of $1,416,575 24; leaving a balance still due of $140,324 76; which was called for and made payable on the 3d January inst. The several installments have been paid with remarkable promptness.

The whole number of Stockholders on the 1st Jan. inst., was 274.

4.—Floating Debt.

The whole amount of outstanding bills and accounts, payable as above, including interest on stock and bonds, is.....		$965,897 87
Amount due Contractors on Southern Division, being per-centage retained to secure the fulfillment of their contracts,.....		127,172 21
		$1,093,070 08
Deduct bills and accounts receivable,.....	$220,219 63	
Deduct materials on hand,.....	62,099 65	
" coal "	24,172 05	
" cash "	13,593 33	
" amount still due on subscriptions to the capital stock,	140,324 76	
		460,409 42
Balance of floating debt,		$632,660 66

It has been the policy of the Board of Managers to pay the contractors, laborers and other employees of the Company, monthly. Nearly all the materials required have been purchased for ready money, by which a considerable saving has been effected. The money for the former purposes has been procured from loans, on the sole credit of the Company, and upon advantageous terms; which loans, as they matured, have been repaid in part by the net revenues accruing from the current business of the Company, and the remainder by moneys received upon the installments upon subscriptions to the increased stock when called for. Such has been the credit of the Company that the amount required has been readily procurable, and the Board are happy to add, that notwithstanding the prevalent high rates of interest during the last half of the year, they have never, in a single instance,

paid more upon their loans than the legal rates, neither have they ever paid, directly or indirectly, any commissions for procuring them. In consequence of this facility of procuring funds, the Board postponed for a time the issue of the Bonds authorized by law, in the hope that such improvement might occur in the state of the money market as to permit of their being negotiated on better terms than was then practicable. Such improvement in the market, however, not taking place, and the time of the annual meeting of the Stockholders being near at hand, they resolved to submit the state of the finances to them, at said meeting, and take their advice and direction in relation thereto; which was accordingly done. The proceedings of said meeting will be found in their proper place, page 2.

In accordance with the instructions then given, the Board have decided to offer the bonds* to the Stockholders, *pro rata*, according to the amount of their stock, and have given notice to that effect. The bonds are amply secured by mortgage, and are convertible into stock at par, at any time prior to April 1, 1860; after which date a sinking fund will be commenced for the ultimate payment of such as shall not have been thus converted. It is believed that they afford an opportunity for investment so eligible, as to secure for them a ready sale. The amount of this issue is to be $900,000. Besides this, an application has been made to the Legislature of Pennsylvania, for authority to increase the amount to $1,500,000, for which a mortgage has been executed in anticipation, to that amount, the additional portion to be issued when required by the wants of the Company.†

Among the items of assets enumerated in the foregoing general account, will be noticed $91,000 of stock in the Warren Railroad Company, and $40,381 76 of stock in the Lackawanna and Bloomsburg Railroad Company. The former

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* A copy of these bonds is annexed, page 31.

† The Act here referred to was passed, and approved by His Excellency Governor Pollock, February 16, 1855.

represents the payments on subscription of $150,000 to said stock, in accordance with the agreement made between this Company, the Central Railroad Company of New Jersey, and the Warren Railroad Company, in relation to the construction of the last named road, which forms the connecting link between the other two. The work on this road, under the efficient management of John I. Blair, Esq., President of the Company, is already in a good state of forwardness, and will, without doubt, be so far advanced as to allow of the passage of trains upon the opening of the Southern Division of our road.

The subscription for stock in the Lackawanna and Bloomsburg Railroad, was for $125,000; and was made principally because said road would open a communication with the "Griffin Farm" (part of the coal estate owned by this Company) and the mines to be opened there, which road would otherwise have been needed to be built by this Company, in order to render said coal lands available. The contract made with said Company, secures to us important privileges for the transportation of coal upon their road, either with or without our own engines and cars, and at a reasonable rate. Through the opening of that road also, access will be had to extensive coal-fields in the Wyoming Valley, and direct communication westward, through the whole length of the State of Pennsylvania. The present condition of the work on that road will be seen from the accompanying report of Mr. McNeill, who had charge of its location, and also of its construction prior to the 1st of December last.

While the attention of the Board of Managers has been given, as above stated, to the work of completing the road, and administering the finances of the Company, they have not, at the same time, been unmindful of the duty of providing, in anticipation, so far as possible, a desirable amount of business for the road upon its opening, in order to render it *imme*diately productive. This business will be, in part, the *carrying of passengers* and freight; but, obviously, a much

greater part the transportation of coal. Their deliberations on this subject have led them to adopt a liberal policy in devoting the principal capacity of the road in this respect, to the accommodation of other parties than themselves. In fixing the rates of freight, they have been anxious to make them as low as possible, and at the same time secure a reasonable compensation to the Stockholders. Under the growing impression that the charges for transportation by railroad companies in this country, have been hitherto generally too low, they have felt some embarrassment in determining what is the just medium between the two extremes. Upon the best information they were able to procure, as to the cost of transportation on other roads, and due consideration of the expensive character of our road, they at length adopted, for the present, a rate of charges which they deem just to all parties, but which may be hereafter modified, if on experience it shall be found advisable. The difficulties experienced by other companies in furnishing to all parties a sufficiency of cars, particularly at times when coal is in greatest demand, convinced the Board of the expediency of requiring the shippers of coal to provide each their own cars, and they have accordingly so determined. These preliminary matters being settled, they proceeded, through the newspapers of the vicinity, and otherwise, to invite proposals for contracts, several of which have already been made on the terms established. With a view also to accommodate parties whose business is not of sufficient magnitude to warrant the great expense of furnishing for themselves cars for transportation, and others who from any reason may prefer so to dispose of it, the Company will purchase their coal at fair prices, delivered in their own cars at Scranton. If, however, the amount thus furnished for transportation shall not equal the full capacity of the road, the Board will feel it their duty to take measures, by the enlargement of their own mining operations, to supply the deficiency.—The most important of the contracts already effected, is that with the Lackawanna Railroad Company, of which the

Hon. Wm. Jessup is President. This is both a railroad and coal company. By the provisions of said contract, that company undertake to construct immediately, a road of six-feet gauge from their mines at Jessup, to intersect our road at Greenville, a distance of about nine miles; and another, on or before the completion of a double track on our road, commencing within two miles of Carbondale, and connecting with ours at Scranton. They further agree to send over the Southern Division, and its connections, to Elizabethport, (when opened,) 100,000 tons, before the 1st January, 1857; and 150,000 tons each year thereafter, till the completion of said double track; and after that, 300,000 tons per annum. Said company are to furnish for this purpose their own cars, oil, oilmen, and brakemen; and provide their own side tracks, dumping-grounds, and docks at Elizabethport. The progress made in the construction of the road of this Company, and in preparing for business, will be seen from the report of Mr. McNeill.

It has been the intention of the Managers to establish their principal Coal Depot for the supply of New-York, and the other Eastern markets, at Elizabethport, N. J. Accordingly, under authority given by an act of the Legislature of Pennsylvania, a contract has been made for purchasing a tract of ground sufficient to afford ample accommodations for that purpose, and for the use of other parties sending coal upon this road. In consequence, however, of some difficulty in perfecting the title, the work of grading and constructing docks has not yet been commenced. A lease has been obtained from the New-York and Elizabethport Ferry Company, of a sufficient extent of water front, at a nominal rent. It is hoped that the difficulty of perfecting the title will soon be removed, when the work of providing the needful conveniences for stocking and shipping will be immediately commenced.

In speculating upon the probable effects of the repeal of *duties on foreign* coal imported into the United States, by *the Reciprocity Treaty*, recently some persons

have apprehended a decrease in the demand for anthracite coal, or a considerable fall in its market price. In relation to this subject, it may be sufficient to say, that such is *not* the opinion of those who have investigated, and are best able to judge of it.* It is known that the foreign coals are all bituminous, and can never compare for cleanliness and convenience with anthracite. The same causes, also, which have operated to make coal high in this country, have been felt elsewhere; so that the prices of foreign coals can never be essentially less—especially if their inferiority in quality is considered—than those of home production.

Besides, it should be remembered that the same treaty opens new facilities for the exportation, as well as the importation of coal. Indeed, it had already been commenced to Canada, and was increasing in a very rapid ratio. From the Custom House statistics at Oswego, has been received the following statement of the amount of coal sent thither from that port alone, during the last three years:—

In 1852.....	4,232	tons,
In 1853.....	5,847	"
In 1854.....	10,879	"
Total,	20, 58	"

Of which it has been ascertained that only 6,300 tons were bituminous.† Already, also, is the demand for anthracite in-

* Professor R. C. Taylor, in his most valuable "Statistics of Coal," published by J. W. Moore, Philadelphia, says:—"There can be no foreign competition now feared in relation to anthracite; and probably very little in relation to any substitute for that fuel, in the shape of bituminous coals, foreign or domestic. We do not think that the bituminous coal of Pennsylvania will ever find an extensive sale on the sea-board. The use of anthracite for all domestic purposes is so firmly established, that no other quality will henceforth find admittance into our houses. * * * * For the same cause, there can never be any large demand, or sale, for foreign bituminous coal at the seaports, except, perhaps, near the Northern frontier, because its uses are, from the causes we have specified, much more limited on the Eastern borders of America than in most parts of the world."—Page 242.

† From a statement procured from the Treasury Department at Washington, it appears that the quantity and value of coal exported from the United

creasing in the towns upon the southern shore of the lakes, as far west as Chicago; successfully competing, at superior prices, with bituminous coals produced in the immediate vicinity. This demand, our Company are very favorably situated for supplying, having, to a greater extent than any other, access to the markets, eastward and westward, and northward.

On the whole, we think it cannot be doubted that there will be a demand, at remunerating prices, for all the coal that can be produced.

In the exercise of a vigilant supervision of the interests of the Company, and to guard against evils ever incidental to operations of this kind, the Board of Managers have adopted the following preamble and resolutions, which will, it is believed, commend themselves to the judgment of every Stockholder:—

WHEREAS, the railroad and its equipment of locomotives, cars, and other machinery, in addition to depreciation from ordinary use, are subject to natural decay, involving the necessity of greater or less expenditures for their renewal and replacement; and whereas it is believed that the extent of this depreciation is often underrated in railroad management, and due allowance for it not made in estimating profits and declaring dividends, thereby deceiving Stockholders, and sometimes, even Managers themselves, in relation to the actual state of their affairs; and whereas, it is deemed sound policy that adequate provision should be made by this Company, to guard against such error, by reserving from the net revenues a sum sufficient for said expenditures; therefore

Resolved, That there be created, by stated assessments upon the transportation earnings, a fund, to be called the "Renewal Fund"—of an amount adequate for the above purpose, to be estimated by the Finance Committee, and submitted to this Board for approval; and that all appropriations for such expenditures shall be made from, and charged to, said "Renewal Fund."

Resolved, further, That, in order to reimburse the expenditures incurred in opening mines, and for providing and maintaining the machinery and fixtures requisite for their working, there be created, by stated assessments upon the revenue derived from the sales of coal, a fund, to be called the "Coal Department Fund;" the amount adequate for such purpose, to

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States to Canada, and all other countries, for the three years prior to June 30, 1854, were as follows:—

Whither exported.	1852. Tons.	1852. Dollars.	1853. Tons.	1853. Dollars.	1854. Tons.	1854. Dollars.
To Canada,	8,814	38,942	13,603	57,299	30,276	140,455
" other countries,	36,522	149,964	65,907	278,704	63,608	303,051
Totals,	45,336	188,906	79,510	336,003	93,884	443,506

be estimated by the Finance Committee, and submitted to this Board for approval; and that all sums paid for the aforesaid expenditures shall be replaced from said "Coal Department Fund."

Of a similar character, also, is the following:—

Resolved, That this Board disclaim their right, and the policy, of voting any pecuniary rewards or emoluments to any officer or employee of the Company, other than the regular salaries fixed at the commencement of each year, or at the time of the appointment of such officer or employee; and that the receiving of any reward or perquisite, on the part of any officer or employee of the Company, from any other employees of the Company, or from any other parties with whom the Company has any business intercourse or transactions, shall subject the party so offending, to a loss of office or employment; and their places shall be immediately filled by this Board, or other proper authority.

The Board are happy to state, that amid the general distrust of public institutions, and railroad companies in particular, which has of late been entertained, in consequence of defalcations, and developments of fraudulent management, no losses have been incurred from this source by this Company. The officers and agents have been faithful, and the system of accounts and checks such, it is believed, as gives all the security against such losses, which can be attained in this mode. This security has not so much been sought by the multiplication of officers, or needless formalities tending to complicate and embarrass the operations of business, as by having regard to the competency and character of their officers, and by a rigid enforcement of the rules demonstrated by long experience to be necessary. Upon this point is subjoined an extract from the minutes of the Board, at their meeting, September 12, 1854.

The following communication was presented by Mr. MILLS, and read by Mr. BULKLEY:—

"The undersigned, members of the Executive Committee, having, on their recent visit to Scranton, availed themselves of the opportunity to examine the books, and method of conducting the business of the Company, which has been prescribed and arranged by the Treasurer, take pleasure in reporting to the Board their entire satisfaction with the same. The system of accounts, which has been adopted, seems to be at once simple and effective in protecting the interests of the Company.

"(Signed.) DRAKE MILLS, GEORGE BULKLEY, ROSWELL SPRAGUE, } *Executive Committee.*

"NEW-YORK, September 8, 1854."

On motion of Mr. TAYLOR, seconded by Mr. PHELPS, it was

Resolved, That said communication be accepted, and entered at length on the minutes of this Board.

In concluding this Report, the Board feel constrained to notice the resignation, in March last, of Col. GEORGE W. SCRANTON, as General Agent, in consequence of protracted ill-health. In retiring from said office, he retains the highest confidence and esteem of every member of the Board, as well as their sincere sympathies, under the affliction which has made it necessary. He will still continue to hold his position as a member of the Board, and to render them the valuable aid of his counsel, so far as he may be able.

The vacancy occasioned by this resignation, remained for some time unfilled. Such, however, is the increase of the business, and such the importance, in consequence of the remoteness of the General Office, of having an officer upon the ground, of experience and character, who should, under the direction of the President, superintend the entire operations of the Company on the line of the works, that it was found very desirable to secure a successor at the earliest moment. This they have at length effected, having engaged the services of JAMES ARCHBALD, Esq., formerly connected, for many years, with the Delaware and Hudson Canal Company, in a similar capacity, and since, Vice-President of the Michigan Southern and Northern Indiana Railroad Companies. He will enter upon the office on the 1st of June next, prior to which he will devote a part of his time to its duties. From his high character and long experience, the Board anticipate the most important services.

Annexed to this Report, is a new Map, exhibiting the location of the railroad of this Company, and of its several connections.

Respectfully submitted.

GEORGE D. PHELPS, *President.*

MANAGERS.

DRAKE MILLS,	GEORGE W. SCRANTON,
JOHN J. PHELPS,	ROSWELL SPRAGUE,
WILLIAM E. DODGE,	MOSES TAYLOR,
GEORGE BULKLEY,	HENRY YOUNG,
JOHN I. BLAIR,	SAMUEL WILLETS,

WILLIAM E WARREN, *ex officio.*

REPORT OF AUDITING COMMITTEE.

THE UNDERSIGNED, appointed to examine the accounts of the Treasurer of the Delaware, Lackawanna and Western Rail-Road Company for the past year, have attended to the duties of such appointment, and take pleasure in certifying that said accounts are kept very systematically, and that vouchers in due form for all moneys expended, and obligations issued, have been taken, and are on file in the office.

The amount of Cash on hand on 1st January, 1854, as appears by the books, was - - - - -		$4,101 08
The amount received during the year, from all sources, was - - - - - - - - - - - -		3,201,197 54
		$3,205,298 62
The whole amount of disbursements during the year, as per vouchers, was - - - - - - - -		3,191,705 29
Leaving a balance on hand December 31st, 1854, -		$13,593 33
Of which there was on deposit in the		
Phenix Bank, - - - - - -	$3,653 58	
Mercantile Bank, - - - - -	7,939 06	
Change in drawer, - - - - -	2,000 69	
		$13,593 33

ROSWELL SPRAGUE,
MOSES TAYLOR,
GEO. BULKLEY,
} *Auditing Committee.*

NEW-YORK, *February*, 15, 1855.

THE DELAWARE, LACKAWANNA AND WESTERN RAIL-ROAD CO.

BALANCE-SHEET, DECEMBER 31ST, 1854.

PAGE.				
10.	To CONSTRUCTION,			
	Northern Division	$2,828,573 49		
	Southern Division	1,222,964 93		
	General Expenditure	588,777 35		
16.	" COAL DEPARTMENT.—CONSTRUCTION,		$4,140,315 77	
	Coal Lands, Mines, Mining Fixtures, Machinery, Coal Yards, Scales, &c., &c.		244,622 07	
4.	" CASH.—Amount on hand		18,598 33	
	" MATERIALS ON HAND,			
60.	Machine Shop	$60,054 64		
62.	Wood	3,990 09		
140.	Oil and Waste	872 47		
150.	" COAL ACCOUNT,		64,917 20	
	8,631 15-20 Tons Coal on Hand		24,172 05	
20.	" BILLS RECEIVABLE,			
	Due previous to 1st January, 1855	$3,393 59		
	" in January, "	33,702 01		
	" " February, "	24,130 80		
	" " March, "	13,251 62		
	" " April, " and aftw'ds	13,969 04		
	" ACCOUNTS RECEIVABLE,		88,447 06	
78.	George W. Scranton, General Agent	$3,721 58		
89.	J. J. Albright, General Coal Agent	2,328 49		
92.	W. N. Jenks, General Fr't and Ticket Ag't.	1,203 25		
97.	F. J. Leavenworth, Pay-Master	6,807 66		
119.	Cayuga and Susquehanna R. R. Co.	2,782 80		
587.	James S. Cox	56 25		
503.	Charles Scranton	2,045 87		
592.	John I. Blair	750 00		
592.	Mott, Hamersly & Co.	3,000 00		
593.	H. S. Welles & Co.	22,500 00		
593.	M. Malone & Co.	8,600 00		
586.	M. L. Noyes	20,100 00		
	Miscellaneous Accounts	52,926 67		
			131,822 57	
161.	" WARREN RAILROAD CO.		91,000 00	
171.	" LACKAWANNA AND BLOOMSBURG R. R. Co.		40,881 76	
			$4,839,271 81	

PAGE.				
1.	BY CAPITAL STOCK,			
	24,482 Shares paid in full	$1,724,100 00		
	25,628 " on which has been paid	1,141,075 24		
	60,110		$2,865,175 24	
401.	" MORTGAGE BONDS, payable 1871		900,000 00	
22.	" BILLS PAYABLE,			
	Due on Demand	$80,300 00		
	" in January, 1855	123,343 72		
	" " February, "	135,869 35		
	" " March, "	159,008 87		
	" " April, "	103,355 33		
	" " May, "	36,758 00		
	" afterwar ls in 1855	46,878 30		
	" in 1856, and afterwards	48,600 30		
	" ACCOUNTS PAYABLE,		688,613 87	
106.	New-York and Erie Rail-Road Co.	$5,366 71		
593.	John J. Phelps	13 74		
593.	Moses W. Scott	21 50		
594.	Mrs. Lucilla S. Silkman	10,000 00		
594.	Nancy Tripp, due July 1, 1856	5,000 00		
594.	Samuel Tripp, " May 1, 1855	1,000 00		
594.	Benjamin S. Tripp, " July 1, 1855 $2,000 00			
	" " 1, 1856.. 833 12			
		2,833 12		
606.	" INT. ON BONDS, payable Jan. 1, 1855 $31,500 00			
	" " previous to " " .. 245 00			
		31,745 00		
510.	" INTEREST ON STOCK, computed to Dec. 31, 1854, Payable 10th Feb., 1855 $77,810 72			
	" Balance due previously.. 3,343 55			
		81,154 27		
103.	" BILLS RECEIVABLE DISCOUNTED, Due in Jan., Feb. and March, 1855	46,481 43		
	" MISCELLANEOUS ACCOUNTS,			
	Due on December Accounts	98,668 23		
	Sundry Balances	2,517 55		
			285,101 55	
124.	" INCOME ACCOUNT, per Exhibit "A"		105,881 15	
	(E. E.)		$4,839,271 81	

WM. E. WARREN, Treasurer.

EXHIBIT "A."

INCOME ACCOUNT 1854.

CREDIT.

By Balance, as per last Annual Report, - -		$32,896 66
From Transportation, per Exhibit "B," -	$139,595 44	
" Coal, " "C," - -	140,303 57	
" Rents, " " - - -	3,467 76	283,366 77
Total,		$316,263 43

DEBIT.

To Interest on Bonds, - -	$900,000 00	$63,000 00	
" " " Stock,			
" " amount for 6 mo's ending June 30, 1854,	62,340 77		
" " amount for 6 mo's ending Dec. 31, 1854,	77,810 72	140,151 49	
To Interest on Float'ng Debt, being balance of the general Interest Account for the year,		7,730 79	210,882 28
Balance,			$105,381 15

EXHIBIT "B."

TRANSPORTATION, 1854.

To Transportation Exp's; cost of operating, repairs of road, repairs of machinery, &c., - -	$124,309 95	By Freight Earnings,	$204,583 21
To proportion of expenses of New-York Office, -	3,500 00	" Passenger "	40,685 48
		" Transp'n of Mail,	2,143 00
		" Service of Locomotives on N. Y. & Erie Rail-Road, - -	11,154 50
		By use of Coal Cars on other railroads, -	8,800 80
	$127,809 95	By Storage collected,	16 40
To Income Acc't—apparent profits for the year, - - -	139,595 44	" Amount collected on account Freight in 1853,	22 00
	$267,405 39		$267,405 39

EXHIBIT "C."

COAL ACCOUNT, 1854.

1854.					
Jan'y 1. To value of Coal on hand this date, 4,024 17-20 tons,		$9,117 15	By Coal Sales, viz.:		
			January,	$11,952 90	
			February,	12,224 17	
			March,	13,557 90	
			April,	10,914 40	
			May,	61,965 93	
			June,	57,712 24	
			July,	68,623 51	
			August,	55,691 07	
			September,	51,811 65	
			October,	60,556 41	
			November,	52,848 57	
			December,	28.991 15	
					$486,849 90
Dec. 31. To Coal Department Expenses, including mining, transportation, coal purchased, superintendence, agents and clerks, repairs of fixtures, taxes; also, am't paid Transportation Department for use of coal cars to points on the N. Y. and Erie, and connecting roads, &c, &c., &c.,	$357,754 98		By amount collected from H. D. Hatch, on account of sales in 1852,		88 75
Proportion of expenses of New-York office,	4.500 00		" Rents collected,		570 00
		362,254 98	" Coal on hand, Dec. 31, 1854, 8.631 10-20 tons, valued at..		24,172 05
To Income Account, Apparent profits for the year		140,308 57			
		$511,675 70			$511,675 70

COAL TONNAGE ACCOUNT.

1854.	*Mined.*	*Purchased.*	*Total.*	*Grand total.*	1854.		
Jan'y 1. To Am't on hand this date				4,024 17	By sales of Coal, viz.,		
January,	6,159 11	587 00	6,746 11		January,	3,045 16	
February,	6,931 06	866 07	7,797 13		February,	3,397 08	
March,	7,457 14	975 17	8,033 11		March,	3,358 10	
April,	7,915 01	741 08	8,656 09		April,	2.612 07	
May,	9,508 02	2,327 11	11,835 13		May,	17.616 11	
June,	7,558 09	2,367 16	9,921 05		June,	15,744 14	
July,	9,706 16	3,372 15	13,079 11		July,	18.180 17	
August,	8,886 07	4.506 08	13,392 15		August,	15,465 18	
September,	7,960 14	4,985 13	12,946 07		September,	18,162 05	
October,	8,491 15	5,746 05	14,238 00		October,	15,996 10	
November,	11,505 03	4,813 02	16,318 05		November,	18,867 00	
December,	8,884 12	2,614 03	10,998 15		December,	6,915 01	
				133,964 15			129,357 17
	100,066 10	33,904 05	133,964 15		By stock on hand, Dec. 31, 1854.		
					At Ithaca,	6,366 06	
					" Buffalo,	786 14	
					" Gt. Bend, in cars,	589 13	
					" Scranton, do.	889 02	8,631 15
			Tons,	137,989 12			137,989 12

[Copy of the proposed new Bonds, to be issued in sums of $500, and $1000.]

UNITED STATES OF AMERICA.

STATE OF PENNSYLVANIA.

END PIECE—A COAL TRAIN. VIGNETTE—VIEW OF THE DELAWARE WATER-GAP.

No. $500.

EASTERN EXTENSION BOND

OF

THE DELAWARE, LACKAWANNA & WESTERN RAIL-ROAD COMPANY.

KNOW ALL MEN BY THESE PRESENTS, that THE DELAWARE, LACKAWANNA AND WESTERN RAIL-ROAD COMPANY acknowledge themselves indebted and bound to in the sum of FIVE HUNDRED DOLLARS, lawful money of the United States of America, to be paid to the said or assigns, at the PHENIX BANK OF THE CITY OF NEW-YORK, on the first day of April, in the year eighteen hundred and seventy-five, with interest thereon at the rate of SEVEN PER CENT. per annum, payable semi-annually, at the office of said Company, in the CITY OF NEW-YORK, on the first days of APRIL and OCTOBER in each year, on the presentation and surrender, as they fall due, of the annexed coupons, or interest-warrants; the first payment of interest to be made on the first day of OCTOBER next ensuing the date hereof.

THIS BOND is one of a series of seventeen hundred, of the like tenor and date, thirteen hundred of which are each for ONE THOUSAND DOLLARS, and four hundred of which are each for FIVE HUNDRED DOLLARS, in the aggregate amounting to FIFTEEN HUNDRED THOUSAND DOLLARS, executed and issued, or to be issued from time to time, as said Company is or may by law be authorized and empowered to do, for the construction of a double-track railroad from SCRANTON to the DELAWARE RIVER, the holders whereof are entitled to the security to be derived from a first and only MORTGAGE, bearing even date herewith, upon the said railroad, constructed, and to be constructed, from SCRANTON to the DELAWARE RIVER as aforesaid, (a distance of sixty-one miles,) including all lands, rights of way, privileges and easements, in or relating to the lands occupied by, or over which said railroad shall pass—together with the corporate rights and franchises of said Company—the tracks and superstructure of said railroad, and all materials used therein, and all bridges, viaducts, culverts, depots, grounds, and buildings thereon; which mortgage is executed by said Company, and delivered to MOSES TAYLOR and L. A. VON HOFFMAN, in trust, to secure the payment of the principal and interest on said Bonds, and duly recorded in the several counties through which said road passes, in the COMMONWEALTH OF PENNSYLVANIA.

AND SAID COMPANY hereby agree that the holders of this Bond may transfer the same at pleasure, either in person or by attorney, only upon the books of the Company, at their office in the CITY OF NEW-YORK; such transfer to be endorsed hereon by the Treasurer, and that said holder of this Bond shall have the privilege, at any time before the first day of April, 1860, to convert the principal sum into the Capital Stock of the Company at par, on surrendering the Bond, with the coupons not then due, to their TREASURER, at their office in the CITY OF NEW-YORK.

THE SAID COMPANY further agree, in order to increase the security, and provide means for the ultimate payment of the whole of the said seventeen hundred Bonds—or such number thereof as may have been issued, and not converted into the Capital Stock of the Company, as above provided, before the first day of April, 1860—to cause to be paid to THE UNITED STATES TRUST COMPANY OF THE CITY OF NEW-YORK, semi-annually, on the first day of April and first day of October in each year, commencing on said first day of April, 1860, towards a SINKING FUND for the redemption of said Bonds then outstanding, such sum as, with the interest accruing thereon, shall be sufficient to pay, on the maturity thereof, the whole amount of said Bonds so issued, and not converted into Capital Stock, as herein provided, which amount shall be, by said THE UNITED STATES TRUST COMPANY OF THE CITY OF NEW-YORK, from time to time invested in the purchase of the Bonds of this issue, so long as they can be obtained at a price not exceeding five per cent. premium above their par value; and when said Bonds cannot be obtained at a price within said limit, then said SINKING FUND shall be invested in Bonds and Mortgages, or other securities, to be approved by the Board of Managers of this Company.

IT IS ALSO AGREED, that in case said Company shall fail to pay the said coupons as they respectively become due, or to make any one of such semi-annual payments to THE UNITED STATES TRUST COMPANY OF THE CITY OF NEW-YORK on the dates herein specified, or within sixty days thereafter, then and in such case the whole amount of the principal of said Bonds shall at once become due and payable, and said THE UNITED STATES TRUST COMPANY OF THE CITY OF NEW-YORK shall, upon the request of said TRUSTEES, or the survivor of them, or such successors or successor in said Trust as may by law, or otherwise, be created or appointed, proceed without delay to convert the securities held by them, on account of said SINKING FUND, into money, and apply the same, *pro rata*, towards the payment of said Bonds then outstanding; and also that the said TRUSTEES, their survivor or successors as aforesaid, shall thereafter, upon the written request of any five *bona fide* holders of said Bonds, proceed forthwith to advertise and sell said railroad and other property, covered by said mortgage, according to the terms and conditions thereof,—the equity of redemption being waived and released on the part of the obligor, and the authority thus to advertise and sell being vested in said TRUSTEES by the said special terms and conditions of the mortgage aforesaid,—and apply the proceeds thereof, *pro rata*, towards the payment of the balance which may then remain due upon said bonds.

IN WITNESS WHEREOF, the said Company have caused this Bond to be attested, in their behalf, by their PRESIDENT and TREASURER, and their corporate [SEAL.] seal affixed, *at their office in* SCRANTON, PENNSYLVANIA, this first day of January, *in the year of our* Lord one thousand eight hundred and fifty-five.

ENGINEER'S REPORT.

DELAWARE, LACKAWANNA AND WESTERN RAIL-ROAD.
OFFICE,—ENGINEER DEPARTMENT,
Scranton, Pa., Jan. 9, 1855.

GEO. D. PHELPS, ESQ., *Pres't of the Del., Lackawanna and Western R. R. Co.:*

SIR:—In presenting the following Second Annual Report, it should be remarked, that the report submitted to the Board of Directors on the 2d of January, 1854, embodied such facts touching the business prospects of the road, as claimed for it the most flattering advantages; hence, no allusion will be made to its resources, connections, &c., further than that the revenue to be derived from its local business will greatly exceed the estimate, as plainly indicated by the largely increased receipts of the Northern Division for the past year, while its leading business—the transportation of coal—will depend on no contingency.

The purpose, then, of this communication, will distinctly be,—to show the present condition of both Divisions of the road, the relative amount of finished and unfinished work upon the Southern Division, the time it shall be opened for business, and the condition of connecting roads.

NORTHERN DIVISION.

The unfinished works upon this Division, on the first of January, 1854, were, the tunnel, the filling of the several trestles, and the masonry connected therewith. Of these, the tunnel, the masonry at Tunkhannock, South Branch, Factoryville, and Humphrey's Hollow, have been finished, and the remaining masonry, now under contract, is in a forward state. The work at Factoryville has been steadily progressing during the season, and is now being vigorously urged to completion.

The amount of work done during the past year, together with the amount remaining to finish this Division, is here given:—

	Embk't made during the year. Cubic yds.	Unfinished Embankments. Cubic yds.	Masonry built during the year. Cost.	Unfinished Masonry. Cost.	Cost of unfinished work. (Estimated.)
Tunnel, - -	- - -	- - -	$1,250	$150	$150
Fuller's Hollow,	16,000	68,000	755	4,386	17,986
Leach's, - -	6,000	40,000	3,300	1,750	9,750
Humphrey's, -	22,000	56,000	1,574	- - -	11,200
South Branch,	5,000	15,000	2,359	- - -	3,000
Factoryvile, -	80,000	60,000	5,261	- - -	12,000
Tunkhannock,	- - -	- - -	1,435	- - -	- - -
Kingsley's, -	- - -	10,000	- - -	2,520	4,520
Total, - - -	129,000	249,000	$15,934	$8,806	$58,606

Provision has already been made for the completion of the masonry and the embankment at Factoryville. The aggregate amount of work unprovided for, is 189,000 cubic yards, which, at twenty cents per cubic yard, would amount to $37,800.

SOUTHERN DIVISION.

Though the first year's operations were greatly retarded by natural obstacles, and an unprecedented demand for labor, the present condition of the work, exhibited by the annexed tabular statement, shows the grading three-fourths finished, the masonry generally ready for the superstructure, and the bridging in a satisfactory state of forwardness.

Two points only may be regarded as ruling in point of time, viz.: Nagles-ville and Dughill—two heavy earth cuts, which are now being worked with steam excavators of established merit. Strict attention to these points, which it is determined to give, will allow me to repeat what has been already stated,—that the road will be opened in August next, and in readiness for active business operations on the first of September following.

CONDITION OF CONNECTING ROADS.

LACKAWANNA AND BLOOMSBURG RAILROAD.—The Lackawanna and Bloomsburg Railroad was undertaken the present season, and that portion between Scranton and Keyser's Creek, a distance of three miles, has been prosecuted with much energy; and the section between Scranton and the Bellevue Mines was opened for the transportation of coal in November last. The entire road is under contract, and the important points are steadily worked. In the absence of financial or other unforeseen difficulties, the opening of this important road will follow closely the completion of your own.

LACKAWANNA* RAILROAD.—This road, intersecting your road at Greenville, the first summit east of Scranton, will develop the upper portion of the Lackawanna coal-field. The division now under contract, extends from Greenville to Jessup, a distance of about nine miles. Ground was broken upon this road in November last, and at the same time shafting for coal was commenced at two points, at one of which coal has already been reached.

The light character of the grading, together with the present facilities for doing work, will enable the managers of this enterprise to put coal upon your road on the day of its completion.

WARREN RAILROAD.—The many serious embarrassments which stayed the early commencement of this road—an integral part of the Delaware, Lackawanna and Western—were overcome by the indomitable energy of the President, in time to assure the parties interested, that a common day could be safely fixed for opening both roads; and the work of graduation, &c., was immediately commenced, on a scale fully justifying the belief that this would be effected.

The completion of the above improvements, now rendered certain, will fulfill the condition upon which the great business prospects of your road have ever been securely based.

Respectfully submitted,

E. McNEILL, *Engineer.*

* Or Carbondale.

ESTIMATE OF WORK DONE, AND REMAINING TO BE DONE, JANUARY 1, 1855,—SOUTH. DIV. D., L. & W. R. R.

Names of Contractors.	Work done January 1.			Work to be done.			Total amount of work.			Value of work done.	Value of w'rk to be done.	Total value.
	Earth.	L. Rk.	S. Rk.	Earth.	L. Rk.	S. Rk.	Earth.	L. Rk.	S. Rk.	Dolls. cts.	Dolls. cts.	Dolls. cts.
M. Malone & Co., -	306,567	7,305	85,548	61,899	——	7,025	368,466	7,305	92,873	129,729 84	18,535 28	
Thompson Pickens,	36,617	683	7,324	16,999	299	3,524	53,616	982	10,848	14,485 95	6,806 25	
N. G. Howe, - - -	30,114	——	254	——	——	——	30,114	——	254	6,213 26	—— ——	
J. L. Traviss & Co., -	210,016	1,500	10,121	——	522	1,208	210,016	2,022	11,329	63,827 10	1,080 50	
Bloom & Carmichael,	179,612	3,860	21,834	46,248	——	4,316	225,860	3,860	26,150	62,969 22	12,730 78	
Connolly & Walsh, -	46,183	314	789	——	——	——	46,183	314	789	12,853 36	—— ——	
William Cleary, - -	34,724	217	3,506	——	——	——	34,724	217	3,506	13.838 77	—— ——	
H. S. Welles & Co.,	239,403	——	9,463	174,841	——	17,137	414,244	——	26,600	84,179 36	69,658 72	
H. S. Welles & Co.,	455,732	——	129,289	256,505	——	77,582	712,237	——	206,871	208,992 62	120,998 70	
Mott & Hammersley,	127,139	——	41,382	2,341	——	2,248	129,480	——	43,630	54,395 20	2,041 80	
Noyes, Clark & Co., -	232,004	——	57,608	45,378	——	11,381	277,382	——	68,989	107,920 35	22,702 35	
Jas. Haggarty & Co.,	41,233	——	7,200	30,084	——	8,943	71,317	——	15,943	20,191 55	17,522 80	
G. V. Adams, - -	44,356	——	10,000	16,420	——	13,094	60,776	——	23,094	23,686 80	16,388 50	
C. Krum & Co., - -	5,600	——	324	28,254	——	4,381	33,854	——	4,705	1,458 80	9,286 78	
M. & P Cummins, -	3,200	292	584	38,714	——	3,761	41,914	292	4,345	1,296 40	12,311 20	
J. L. Traviss, - - -	650	——	——	25,500	——	——	26,150	——	——	162 50	6,375 00	
	1,993,150	14,171	385,526	743,183	821	154,400	2,736,333	14,992	539,926	806,201 18	317,438 66	1,123,639 84
	Rock in tunnel, done Jan. 1.			To be done Jan. 1.			Total amount of work.					
M. Malone & Co., -	3,263			——			3,263			9,789 60	—— ——	
M. L. Noyes, - - -	5,820			4,859			10,679			21,530 00	19,436 00	
H. S. Welles & Co,	700			7,374			8,074			3,183 00	21,039 00	
	9,783			12,233			22,016			34,502 60	40,475 00	74,977 60
John Best, - - -	——			——			——			63,309 38	10,635 62	73,945 00

Grubbing & clearing, - - - - - - - - - - - - - - - - - -																					17,862	50	1,887	50	19,750	00
Ballast, - - - - - - - - - - - - - - - - - -																									58,800	00
	Masonry done January 1.							Masonry to be done January 1.																		
Names of Contractors.	Rect. Cul.	Arch C.	Rk. w'k.	1st Class.	2d Class.	S. Wall.	Pa-v'ng	R. Cul.	A. Cul.	Rk. W'k.	1st. Class.	2d Cl's.	S. Wall	Pa-v'ng												
M. Malone & Co., -	160	123	3,043	1,358	—	6,016	87	43	—	500	540	—	4,891	210	36,368	75	13,084	00						
Thompson Pickens, -	209	—	—	—	—	—	—	21	—	—	—	—	—	10	522	50	65	00						
N. G. Howe, - - -	201	—	—	—	198	—	21	—	—	—	—	—	—	—	1,024	88	—	—						
J. L. Traviss, & Co.,	209	790	—	—	—	68	76	—	—	—	—	—	—	—	4,685	75	—	—						
Bloom & Carmichael,	—	390	—	—	—	—	—	10	—	—	—	—	—	—	1,560	00	25	00						
Connolly & Walsh, -	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—						
William Cleary, - -	14	—	—	—	—	—	—	—	—	—	—	—	—	—	42	00	—	—						
H. S. Welles & Co.,	50	—	120	225	223	—	—	205	—	880	—	300	—	—	3,152	95	8,125	00						
H. S. Welles & Co.,	1,431	1,233	2,320	—	—	124	166	365	532	240	—	—	—	15	27,855	26	5,545	00						
Mott & Hammersley,	435	—	817	451	160	235	46	388	—	—	—	—	—	6	8,769	00	976	00						
Noyes, Clark, & Co., -	537	—	2,918	327	614	4,370	55	345	—	810	—	386	—	12	34,524	25	6,992	75						
Jas. Haggarty & Co.,	—	—	—	—	—	—	—	—	—	—	520	—	—	—	—	—	2,600	00						
G. V. Adams, - -	36	—	—	—	—	—	—	64	—	—	—	—	—	—	108	00	192	00	—					
C. Krum & Co., - -	—	—	—	—	—	35	—	43	—	—	—	—	455	10	52	50	800	00						
M. & P. Cummins, -	—	—	—	—	—	—	—	—	—	—	260	—	330	—	—	—	1,665	00						
J. L. Traviss, - -	—	—	—	—	—	—	—	—	—	—	—	175	—	—	—	—	656	25						
Totals,	3,282	2,536	9,218	2,361	1,195	10,848	451	1,484	532	2,430	1,320	861	5,676	263	118,665	83	40,726	00	159,391	83				
Remaining items, per original estimate, less $6,000 for farm-crossings and road in water-gap, charged to grading, - - -																			104,200	00				
																			1,614,704	27				
Total advance on contract prices, - - - - - - - - - - - - - - - - - -

GENERAL COAL AGENT'S REPORT.

THE DELAWARE, LACKAWANNA AND WESTERN RAIL-ROAD CO.

OFFICE,—COAL DEPARTMENT,
Scranton, Pa., January 6, 1855.

GEO. D. PHELPS, ESQ., *President.*

SIR:—The following report of the business of the Coal Department for the past year, together with its prospects for the future, is respectfully submitted.

DIAMOND MINES.—The Coal Slopes Nos. 1 and 2, at the Diamond Mines, which were commenced in the fall of 1853, have been completed, and about five thousand tons of coal taken from them. The former is three hundred, and the latter two hundred and seventy feet in depth, driven through rock. At Slope No. 1, two engines for hoisting and pumping have been put up, each of forty horse power; and one for screening, of six horse power, and at No. 2, two engines, of forty horse power each. No. 1, as you are aware, reaches the "F," or six feet vein, which is forty-five feet below the so-called "Diamond Vein." No. 2 is driven to the "E.," or Diamond Vein, at its basin. The "D." Vein has also been opened at two points on the hill, by drifts above water-level, and eight hundred tons of coal mined therefrom. Several air-shafts have been sunk by the contractor, and one by the Company; the latter one hundred and fifty feet deep. These mines have been worked to their full capacity by our mining contractor, Mr. T. Peckens, assisted by Messrs. Needham and Sherrerd; and no effort has been spared to obtain from them every ton possible. Owing to the great flow of water, and other unavoidable hindrances, the slopes were not finished as soon as was expected; hence, nearly all the coal taken from the Diamond Mines, has been obtained from the old drift, (ninety-three thousand six hundred and thirteen and twelve-twentieth tons), and only five thousand eight hundred tons from the new workings. The former was mostly taken from below water-level; the water being pumped by hand, and removed in water-carts—a laborious and expensive mode, and is now removed by the pump, at No. 2 Slope. The promise is fair for another year's business at the drift. Schutes and screens have been built at No. 1, but no cracker. The old cracker is used for all but the lump coal, which is loaded below. The entire product from the Diamond Mines for the ensuing year, is estimated at two hundred thousand tons, of which, if a new cracker is not erected, one hundred and twenty-five thousand tons will be lump coal; with the cracker, perhaps fifty thousand tons.

The water apparatus for supplying the engines, proves highly satisfactory. A three-inch iron pipe has been laid during the year to a mountain stream, seven thousand six hundred feet distant, and a reservoir built, capable of containing a sufficiency for two weeks' use. This has afforded, during the present unusually dry season, a full supply of the purest water. A branch has also been constructed from the mines for the supply of the depots at Scranton; and a water-tank put up at the mines for the locomotives.

Mr. Peckens, the contractor, has built at these mines twenty-six blocks of miners' houses; and an additional number is desirable.

BELLEVUE MINES.—At the Bellevue Mines, on the Griffin farm, a slope has been sunk one hundred and twenty feet, through rock, and two hundred and fifty feet on the dip of coal. Engines, pumps, crackers, schutes, &c., are now being constructed there. Six hundred and forty-six tons of coal, taken out in sinking this slope, have already been sent to market, *via* the Lackawanna and Bloomsburg Railroad, which is finished from Scranton to these mines. A shaft has also been commenced, and sunk seventy-five feet, when, in consequence of the large flow of water encountered, it was suspended, till an engine and pump can be got ready, which will be very soon. It will need to be extended about sixty feet further to reach the large eighteen feet vein. The estimated cost of completing the openings, including all the fixtures and apparatus, is $33,000, and for lateral roads, $5,575; total, $38,575. The product of these openings for the present year will be about fifty thousand tons; the annual product, when in full operation, it is estimated, will be two hundred thousand tons.

There have been built, the past year, near these openings, and on the hill, (a fine and eligible piece of ground,) twenty-five blocks of double miners' houses, two tenements to each block. These are leased to the mining contractors for $60 per block, per annum.

Several building lots, near this village, have been sold, amounting to the sum of $1,324 22.

PINE BROOK MINES.—From the Pine Brook Mines, owned and worked by the Lackawanna Iron and Coal Company, we have received, during the year, twenty-eight thousand five hundred and thirty-seven and thirteen-twentieths tons. That Company are now putting up more extensive screening fixtures, and will be prepared to furnish us, the ensuing year, about fifty thousand tons.

CLARK'S MINES.—A contract has been made with Mr. Judson Clark, for the purchase and delivery, in our cars, of one hundred tons of coal per day, for the term of five years from the first instant, from his mines in the notch of the mountain, (Liggett's Gap.) He has delivered, during the fall, five thousand three hundred and seventy-seven and two-twentieths tons. He is now furnishing at the rate stipulated in his contract, and can, if desired, furnish an increased quantity.

SWETLAND MINES.—A contract has also been concluded with Messrs. Lewis & Howells for the purchase and delivery of forty thousand tons per annum, for eight years, from the lands of Wm. Swetland, Esq., near Scranton. They have commenced a slope, and think that they shall be able to deliver half that amount the present year. A lateral road, of one thousand feet, to this mine, will be required to be built by the Company, at an estimated cost of $1,866.

HAMPTON MINES.—Mr. G. H. Coursen has also contracted to deliver coal in our cars, and has commenced sinking a shaft, from which he anticipates being able to furnish us twenty-five thousand tons the present year.

The aggregate product of the various mines, for the year 1855, is thus estimated to be as follows:

From the	Diamond Mines,	200,000	tons.
" "	Bellevue "	50,000	"
" "	Pine Brook "	50,000	"
" "	Clark's "	30,000	"
" "	Swetland "	20,000	"
" "	Hampton "	25,000	"
	Total,	375,000	tons.

The amount sent from the mines, the past year, (1854), has been as follows:

From the mines of the Company, viz:

Diamond Mines,	99,413.12	tons.
Bellevue "	646.98	"
	100,060.10	tons.

Furnished from other collieries, viz.:

Pine Brook Mine,	28,537.03	tons.
Clark's "	5,367.02	"
	33,904.05	"
Total,	133,964.15	tons.

This is an increase of thirty-six thousand seven hundred and twenty-six and three-fourths tons over the product of 1853. All the mines have been wrought to their utmost capacity, and a general desire has been felt to secure the largest amount possible. Many unforeseen and unavoidable hindrances (among them the turn-out of the miners, in June) have been experienced, preventing a further increase. We could, undoubtedly, have sold full two hundred thousand tons. Our northern and western market is increasing rapidly, and we have the prospect of a ready sale for all that we can furnish this season. Only a few years ago, upon the completion of the road to Great Bend, when Col. Scranton and myself first sought to open a market northward, it was, in numerous instances, scarcely possible to *give it away;* and many almost incredible incidents connected with our sales could be mentioned. In the winter of 1851-2 I spent two months of the very coldest weather in the city of Syracuse, rented a small yard, put in it two boat-loads of coal, and worked hard, for that whole period, to dispose of it; and that in a city of 25,000 to 30,000 inhabitants! A

coal stove then scarcely existed there. In one instance, the purchaser brought back stove, coal, and all, and declared "*it wouldn't burn!*"*

Dumping grounds have been prepared at Ithaca, capable of stocking fifty thousand tons; and since the closing of navigation, (December 1st,) six thousand three hundred and sixty-six and six-twentieth tons, have been deposited there. The very early close of navigation cut short our expected December shipments some six thousand or eight thousand tons. The business at this place, in charge of the Company's Agent, Mr. Joseph Lippincott, has been highly satisfactory. The expense of transhipment from cars to boats, including stocking, weighing, &c., is about ten cents per ton.

A few shipments of coal have been made, during the past year, to Canada, and other parts of the North-west, bordering upon the lakes. There are indications of a largely increased demand from thence, hereafter; possibly as an effect of the Reciprocity Treaty, recently concluded, by which coal will be admitted to the Provinces, free of duty.

It is gratifying to state that we continue to receive from purchasers and consumers, assurances of their high satisfaction, both with the quality of the coal, and the order in which it is received. They pronounce it fully equal, if not superior, in these respects, to any in the market. Not the least of these evidences of their satisfaction, is the fact that their payments have been remarkably prompt, although invariably required to be in cash. Our business is yet in its infancy; but already it extends through the whole of Western New-York, and thence onward, on both shores of the lakes, as far as Chicago. Throughout this wide extent, and from sales amounting in gross to near half a million dollars, we have not, as yet, had a single unpaid or disputed account, a very few December bills excepted—from which there has not been time to obtain returns; a gratifying fact, for which the Company are doubtless much indebted to the wise discretion of Col. Scranton, in the original selection of purchasers. It has been

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* The following certificate, kindly furnished by Messrs. Hatch, Burt & Co., of Syracuse, shows that a great change has taken place in the estimation in which our coal was regarded on its first introduction in that city, as well as the great advantage, in point of economy, of using it instead of wood, for the purpose named.

AN ESTIMATE *of the comparative expense of coal and wood fires, as tested by the Board of Education of the city of Syracuse, for a period of about four months.*

The Board have had in use fifty stoves—forty-one of them have been supplied with coal, and the remaining nine with wood.

Cost of coal for forty-one stoves, including carting, carrying in and *kindling*,	$445 63
Cost of wood for nine stoves, including sawing and placing in wood-sheds,	255 76
Cost of coal fires, per stove,	10 87
" wood " "	28 42
Difference, per stove, in favor of coal,	17 55

I hereby certify that the above estimate is correct, as shown by the books of the Board of Education.

M. L. BROWNE, *Clerk Board Education.*

SYRACUSE, *Feb. 28th*, 1855.

our custom to furnish coal upon orders, and send the bills at the end of each month; drawing at sight on the parties in favor of the Treasurer, unless remittances had been made with the orders.

The surface of the coal lands, comprising one thousand acres, and constituting several valuable farms, has been rented upon favorable terms. The income from this source has been somewhat greater during the past, than in any former year.

It will be seen from the above statements, that the markets for coal, opened *via* Northern Division of the road, are already nearly, if not quite, equal to the entire amount which the Company can furnish from its present sources of supply. The inference is obvious, that when the Southern Division is completed, giving access to the great markets of the sea-board, the demands from thence will be such as to call for the utmost resources of the Company. This state of things cannot be provided for in a moment. Time is requisite for the opening of new mines, and the furnishing of needful apparatus for their working. What measures shall be adopted to meet this state of things, will, doubtless, early engage the consideration of the Board of Managers.

Subjoined is a statement of the total quantity of coal forwarded since the opening of the Northern Division of the road, in 1851.

Respectfully, J. J. ALBRIGHT,

General Coal Agent.

Statement of Scranton Coal sent to market, *via* Northern Division of the D., L. & W. Railroad to Dec. 31., 1854.

In 1851, from opening of road in October,	6,000	tons.
In 1852,	67,487	"
In 1853,	97,358	"
In 1854,	133,964	"

SUPERINTENDENT'S REPORT.

DELAWARE, LACKAWANNA AND WESTERN RAIL-ROAD.

SUPERINTENDENT'S OFFICE,
Scranton, January 20, 1855.

GEORGE D. PHELPS, ESQ., *President.*

DEAR SIR:—I respectfully submit the following Report of the business and operations under my charge, for the year just closed.

TRANSPORTATION DEPARTMENT.

I am happy to state that no accidents have occurred upon the road, involving injury or delay to any passenger. The trains have continued to run regularly, as heretofore.

EARNINGS.—From the accompanying statements of the General Freight and Ticket Agent, it appears that the total number of passengers carried, is 49,125; last year, 43,726: increase in 1854, 5,399. The amount of revenue accruing from this source, is $40,685 48; last year, $33,675 32: increase in 1854, $7,010 16 equal to 21 per cent. The total tonnage of Freight of all kinds, is 227,481 tons; last year, 141,458 tons: increase in 1854, 86,023 tons. The whole amount of revenue from Freight, is $204,583 21; last year $156,102 43: increase in 1854, $48,480 78, equal to 31 per cent. This increase of Freight, is shown in detail, as follows:—

TONNAGE.

	1854.	1853.	Increase in 1854. Amount.	Per cent.
Coal, - - -	131.811	97 358	34 453	35 37
Merchandise, - -	95,565	44,000	51.565	117.20
Express, - -	154	100	54	54.00
Total,	227.530	141,458	86,072	60.84

REVENUE.

Coal, - -	$128,535 03	$101,995 19	$26,539 84	26 02
Merchandise, -	75,140 07	53,757 94	21,382 13	39 75
Express, - -	908 11	349 30	559 81	160.23
Total,	$204,583 21	$156,102 43	$48,481 78	31.05

It will be perceived, from the above, that there has been an increase of upwards of thirty per cent. in the passenger and freight earnings during the year. This increase is believed to be legitimate, and one that will continue at an equal

rate for many years to come, before the maximum will be reached. The growth of the manufacturing, mercantile, and other business along the line of the road, and especially the extensive mining operations commencing in this valley, and the rapid advance in population, in this and the neighboring villages, warrant this expectation. When the business done upon fifty miles only of the road shows such results, what may not be reasonably anticipated when the line is completed to tide water and the Atlantic cities? Receiving from the Lackawanna and Bloomsburg, and Lackawanna (Carbondale) railroads, the products of the rich mineral and agricultural regions through which they pass, there can be little doubt that our business will equal the full capacity of the road, both north and south, and, with a double track, rendering it necessarily one of the best paying roads in the country.

EXPENSES.—The transportation expenses for the year, have been as follows, viz.:

For Office and Station expenses, - - - - - -	$16 520 73
" Cost of running, - - - - - - - -	47,712 45
" Repairs of Engines, Cars, &c., - - - - -	35,467 31
" Repairs of Road-bed and Track, - - - - -	19,542 63
" Repairs of Station-Houses and Buildings, - - -	1,393 19
" General expenses, including $3 500 for proportion of expenses of General Office, - - - - - -	7,173 64
Total, - -	$127,809 95
The amount of gross earnings, is - - - - - -	$267,383 39
Total amount of expenses, as above, - - - -	127 809 95
Net earnings, - -	$139,573 44

A small increase will be noticed in the cost per ton of transporting coal, arising from the fact that, for a part of the time, three engines were required for the work, while the supply of the coal mined, was not so regular as to furnish them always full employment. A much larger quantity might have been carried, without any material addition to the expense.

It will be seen from the accompanying statements of the Clerk of the Shops, that the expense of repairs of coal cars exceeds somewhat that of 1853. This is mainly attributable to the replacement of a large number of wheels, on account of their being " spotted" by sliding, under the application of the brakes, on descending grades, and the rough usage they received on other roads. The same is true of the cost of engine repairs, arising from the replacement of tires, and by extraordinary repairs, made necessary by unavoidable circumstances. I am, notwithstanding, happy to say that our expenses for the repairs of engines and cars, per mile run, are less than on most other roads. The plan pursued, has been to keep the original number of cars in good running order, by general repairs, and by replacing the worn-out parts and broken cars by new ones. The stock is thus maintained, though the cost of repairs may be somewhat unequally distributed among different years.

The same plan has been pursued in relation to the repairs of locomotives, *bridges, station* buildings, and the road-bed, by which it is believed that the

ordinary wear and depreciation for the year, have been made good. The wear and depreciation of the iron rails, cannot be as definitely estimated.

FUEL.—The stock of wood on hand at the beginning of the year, was 6,890 cords, valued at - - - - - - -		$11,444 43
There have been purchased, during the year, 6,589¼ cords, costing, inclusive of its preparation for use, piling, &c., - - -		16,301 16
There have also been received from the Coal Department, 613 15-20 tons of Coal, costing - - - - - - - -		689 65
Total,		$28,435 24

The consumption of fuel, has been as follows:—

SERVICE. TRANSPORTATION.	Cords of Wood.	Tons of Coal.	Cost. Total.	
For Passenger Engines,	1,280	.....	$2,560 00	
" Fr'gt and Wood "	2,598¼	.....	5,196 50	
" Coal Freight "	5,592¼	613 15-20	11,874 65	
Destroyed by Fire,	123	.....	196 00	
Totals,	9 593¾	613 15-20	$19,827 15	
CONSTRUCTION.—(Northern Division.)				
For Gravel Engines,	1,723	.....	3,446 00	
CONSTRUCTION.—(Southern Division.)				
For Gravel Engines,	586	.....	1,172 00	
Total cost of fuel consumed, - - - - -				$24,445 15
The stock on hand at the close of the year, was as follows:—				
1,575 cords of Wood, valued at - - - - - - -				3,990 09
Total,				$28,435 24

The stock, it will be seen, is very small, caused, in part, by the great demand and high wages of labor, the past year. Contracts have, however, been made for a full and regular supply hereafter, delivered at the stations, except at Clark's Summit and Scranton.

The cost of this important item in the expenses of operating the road, per passenger, per mile, and for freight of coal and merchandise, per ton, per mile, will compare favorably with any other road in the country.

ROLLING STOCK.—The present equipment of the road consists of the following:—

ENGINES.

Thirteen first-class.

Four second-class.

Two fourth-class.

Of these, two of the first-class burn coal; all the others, wood. Except the two last mentioned, (the "Pioneer" and "Spitfire,") they were built by different makers, under the expectation of further orders from the Company; consequently great care was taken to have them constructed on the most approved plans, and of the best workmanship and materials. The coal-burners have, so far, performed very satisfactorily; and though no formal trial has been instituted, for comparing them with wood-burners, yet enough has been ascertained to show that the cost

of fuel used by them is much less, to say nothing of the convenience. Such trial is now about being made, and the result will, I am confident, confirm said fact. The motive-power is now amply sufficient to transport from the mines to Owego, 225,000 tons of coal per annum, besides the carrying of freight and passengers, and the working of one gravel train. For a description of these engines, their present condition, and the service in which they are employed, see the annexed Report of the Clerk of the Machine and Car Shops and Foundry.

CARS.

The whole number of cars in use, including those made during the past year, is as follows:—

Passenger—Four first-class, and one second-class.

Baggage—Two.

Freight—Thirty-two house cars.

" Thirty-nine platform cars.

Coal—Thirty-six side dump eight-wheeled cars.

" Forty bottom " " "

" One thousand two hundred and fifty-eight bot'm dump four-wh'ld cars.

Four caboose cars, for coal trains.

Wood Cars—Two four-wheeled, employed on the N. Y. & E. Railroad.

Derrick Car—One eight-wheeled.

Wreck Car—One " (House.)

Tool Car—One four-wheeled.

Gravel—One hundred and sixteen four-wheeled cars.

Hand—Seven four-wheeled.

Hand Trucks—Eighteen four-wheeled.

The four-wheeled coal cars are sufficient for carrying 300,000 tons of coal per annum, from the mines to Ithaca, provided they are unloaded and returned with reasonable dispatch. The freight and passenger cars also, will be sufficient for the business of the road (unless it should increase much beyond expectation) until the opening of the Southern Division.

An additional number of eight-wheeled coal cars, with side dump, will be needed for carrying coal to the remoter points on the New-York and Erie, and other connecting roads; the four-wheeled cars not being adapted in strength or size to run in trains of ordinary freight cars, as is required to be done, when less than a full train of said coal cars is to be sent.

CONDITION OF THE ROAD.—(NORTHERN DIVISION.)

ROAD-BED.—A large amount of work has been done the past year with gravel trains and side gangs, in sloping thorough, and side cuts, opening drains, constructing and renewing cattle-guards, &c., by which the condition and safety of the road has been greatly improved, and the future cost of repairs of the track, will be diminished. Two gravel trains, with one hundred men each, would, in one season, finish the sloping and embankments, so that the construc-

account for the Northern Division, (single track,) could be closed.

BRIDGES AND TRESTLINGS.—The bridges are all in good condition; and from their superior construction, as respects design, materials and workmanship, the cost of keeping them in repair has been very small. The trestlings have been continually watched, and great care has been taken to preserve them in a perfectly safe condition. When the embankments which are to take their place are completed and consolidated, the expense of repairing these structures will cease.

TRACK.—During the year, seven hundred and sixteen rails have been removed from the main line, and used for sidings. A large number of hemlock ties, employed in the first construction of the road, have been replaced by others, more durable. The light chairs first used, have been removed from the outside rail, on curves, and others of an improved and heavier pattern, substituted. Two thousand two hundred and eleven yards of track have been relaid with the improved heavy rail; and one thousand seven hundred and seventy-six yards of new track laid with the same, (through the tunnel). The completion of the tunnel in April last, has greatly added to the capacity and safety of the road, and will occasion a corresponding decrease in the cost of operating it.

FENCES.—There have been built during the past year three hundred and ninety-four rods of board fence, costing ninety-six cents per rod, and two hundred and forty two rods of stone wall, costing one dollar and thirty-five cents per rod. Notwithstanding the greater expense of the latter, it is, from its superior durability, much the cheapest in the end, provided stone can be had within any reasonable distance.

WATER STATIONS.—A new water-house has been erected at the Diamond Mines, for the accommodation of the Mine and Summit trains. The water is taken from the basin that supplies the stationary engines at the mines.

To obtain a supply of drinking-water, for the shops and station-houses at Scranton, the surplus being used for engines—one and three-tenths of a mile of one and a half-inch cast iron pipe, has been laid along the line of the road, commencing at the shops, and connecting with the main pipe from the mountain to the Diamond Mines. This water has been distributed to the depots for drinking, and as a protection against fire, and also conveyed into all the shops. The water-house, with all the fixtures, located temporarily at the north end of the tunnel, has been removed to Tunkhannock, where a supply of water is obtained from a reliable source, at all seasons of the year, through an inch and a half cast iron pipe, seven-eighths of a mile long, laid in the best manner. This is now the most important, and one of the best water-stations on the line.

STATION-HOUSES.—The new freight and passenger depot at Oakley's Station has been completed, and is of ample dimensions to accommodate all the business at that place. The passenger depot and freight house at Scranton, have been remodeled, and removed from their former site, to positions better adapted to accommodate the public, on the opening of the Southern Division, and cellars

have also been constructed under them. The long-talked-of Union depot building, at Great Bend, is very much needed, and in my judgment, its construction should not be longer delayed. The citizens of Montrose are also very desirous to have better accommodations at their Station, and the increase in our business there, is such as to warrant a compliance with their wishes, at the earliest moment practicable.

NEW BUILDINGS.—There have been erected, adjacent to the machine and car shops, at Scranton, a brick foundry, fifty-seven by sixty-seven feet, with slate roof; a wood boiler shop and iron shed, forty by one hundred feet; and a shed fifteen by one hundred and twelve feet, for the use of the foundry, fire-engines, and the car shop. A very commodious circular engine-house, also of brick, two hundred and twenty-four feet in diameter, with slate and tin roof, having thirty stalls, and a new turn-table, has been commenced; a portion of it will be ready to receive engines by the first of February, and the whole building completed early next spring. It will be a noble structure. Brick additions to the machine and car shops, fifty by one hundred feet, with slate roofs, containing an office and a fire-proof oil and waste room, are in progress, and will be finished at the same time.

MACHINE AND CAR SHOPS, AND FOUNDRY.

This Department, though under my supervision, has been principally conducted by Mr. H. L. Marvine, the efficient clerk and foreman thereof, whose interesting and very satisfactory report of the operations of the past year is subjoined. The convenience is very great of having facilities for constructing and repairing our cars and machinery; and this branch of our operations pays a larger profit on the amount of investment, than any other at the present time. This result is due, in a great measure, to the able and indefatigable efforts of Mr. Marvine and his assistants.

In conclusion, I should do injustice to my feelings, in omitting to acknowledge the obligation I am under to the officers, agents, and employees of the Company, for the faithful and efficient aid they have rendered me in the details of the several branches of duty with which they have been connected.

Respectfully,

Your obedient servant,

D. H. DOTTERER,

Superintendent.

DELAWARE, LACKAWANNA AND WESTERN RAIL-ROAD.

TRANSPORTATION DEPARTMENT.

GENERAL FREIGHT AND TICKET OFFICE,
Scranton, January 5th, 1855.

D. H. DOTTERER, Esq., *Superintendent.*

DEAR SIR:—The following statements exhibit the tonnage of freight, and the number of passengers transported on this road, with the gross amount of revenue derived therefrom, during the past year:—

TRANSPORTATION EARNINGS.—1854.

Months.	PASSENGER EARNINGS.			MAIL.	FREIGHT EARNINGS.									
					Coal.		Merchandise.		Express.		Total	Total
	Pass'gers carried	Reven'e,	Extra baggage.	Revenue.	Tonnage.	Revenue.	Tonnage	Revenue.	Ton'ge.	Reven'e.	Tonnage.	Revenue.
1854.	No.	$ c.	$ c.	$ c.	Tons. C.	$ c.	Lbs.	$ c.	Lbs.	$ c.	Lbs.	$ c.
Jan.,	3,127	2,349 27	2 50	178 58	6,475 14	6,926 78	5,757,581	3,668 94	18,775	46 98	18,727,706	9,942 65
Feb.,	2,861	2,156 97	6 50	178 58	7,448 12	7,128 16	5,651,112	3,251 50	17,051	42 63	20,555,863	10,422 31
March,	3,744½	2,878 73	4 25	178 58	7,900 18	7,738 61	10,799,352	4,892 04	14,085	35 21	26,615,257	12,665 86
April,	3,985½	3,266 96	5 25	178 58	8,447 4	8,331 55	18,699,374	4,625 30	21,090	66 66	30,614,864	13,023 81
May,	3,881½	3,260 74	5 25	178 58	11,999 14	11,871 81	20,769,596	8,328 93	25,100	66 66	44,794,096	20,267 40
June,	3,692½	3,084 70	3 50	178 58	9,720 14	9,592 50	20,449,756	8,007 88	21,166	75 20	39,912,922	17,675 53
July,	4,959	3,866 70	6 50	178 58	12,960 4	12,877 35	22,507,057	8,345 35	18,950	74 54	48,486,407	21,597 24
Aug.,	4,923½	4,090 89	3 50	178 58	13,461 1	13,224 30	17,656,346	7,032 37	83,875	103 95	44,641,721	20,410 62
Sept.,	5,049½	4,416 11	6 00	178 58	12,924 5	12,745 91	23,090,146	7,106 97	38,544	109 05	48,977,170	19,961 98
Oct.,	5,814½	4,761 32	4 00	178 58	14,400 1	14,016 65	16,185,847	7,313 20	33,426	93 66	45,019,273	21,423 51
Nov.,	4,440½	3,816 58	3 00	178 58	15,453 17	14,863 39	23,780,507	8,134 61	23,979	87 97	54,667,186	23,085 97
Dec.,	3,211	2,653 26	3 50	178 62	10,608 11	9,917 70	10,704,900	4,983 03	38,282	105 65	31,950,282	14,406 33
Totals,	49,125	40,631 73	53 75	2,143 00	131,810 15	128,535 03	191,031,524	76,140 07	308,723	908 11	454,961,747	204,883 21

RECAPITULATION.

PASSENGER EARNINGS,	$40,631 73	
" Extra Baggage,	53 75	
		$40,685 48
TRANSPORTATION OF MAIL,		2,143 00
FREIGHT EARNINGS.—Freight of Coal,	$128,535 03	
Do. Merchandise,	75,140 07	
Do. Express,	908 11	
		204,583 21
		$247,411 69
Add—		
For service of Locomotives on New-York and Erie Railroad,		11,154 50
For use of coal cars on New-York and Erie and other roads,		8,800 80
For storage collected,		16 40
Total Transportation Earnings,		$267,383 39

Of the total tonnage above, amounting to 227,480 1747-2000 tons, there were 131,810 1500-2000 tons of coal; 45,778 1050-2000 tons iron ore; 7,768 1507-2000 tons new railroad iron; and 3,152 300-2000 tons of old iron rails.

The balance, 38,970 1390-2000 tons, was miscellaneous freight.

The following is a list of our Stations, showing the names of the Agents and the amount of charges due upon Freight remaining on hand on the 1st inst.:—

Stations.	*Agents.*	*Due for charges on Freight.*
Scranton,	A. B. Fuller,	$901 99
Clark's Summit,	A. R. Dunn,	8 01
Abington,	Norman Phelps,	22 66
Factoryville,	U. V. Mace,	21 76
Tunkhannock,	A. D. King,	133 91
Hopbottom,	(No Agent,)	....
Oakley's,	D. K. Oakley,	....
Montrose,	Benj. Case,	13 34
New Milford,	S. H. Morse,	....
Great Bend,	Charles B. Stow,	64 86
Binghamton,	C. McKinney & Co.,	....
Owego,	J. Robbins,	....
Amount due from U. S. Express Co., (for December,)		105 65
		$1,272 18
Deduct. amount overpaid by C. McKinney & Co.,		68 93
Total outstanding,		$1,203 25

The regulation adopted by the Board, requiring all charges to be paid on freight, on delivery of the same, has been rigidly adhered to, and the Company have thereby avoided losses from bad debts, while the public are entirely satisfied with the arrangement.

I annex a table, showing the number of passengers carried to and from the several stations, with the revenue accruing from the same.

I had intended to prepare a similar table, showing the amount of freight transported to and from each station, also a classification and enumeration of the different articles carried, in accordance with the request of the Treasurer, but from the great increase of business, and consequent labor made necessary, *I have not been able to do so.*

You are aware that, up to the 1st inst., I have not only kept the general accounts of freight and passenger earnings, but have also acted as *ticket agent* at Scranton station, and have received all the monies collected by all the Station Agents and Conductors.

By the Treasurer's order, I have been relieved from the last-mentioned duty since that time, which has devolved upon the Pay-Master instead, and I shall, in consequence, have more time hereafter, to devote to the accounts, and hope to be able to furnish such statistics pertaining to them as may be desired, although, from the increasing amount of business, some assistance therein will probably be soon required.

The new Freight Tariff, adopted by the Board on 1st of April last, increased the rates very considerably, but not beyond the advance upon other Roads, and is, so far as I am aware, in general satisfactory to the public.

The passenger fares cannot be advanced, they being already, by the last alteration, placed at the maximum amount allowed by law.

The receipts heretofore derived from the transportation of mails and express matter, are believed to fall below what is equitable and proper.

Our contract with the United States Express Company terminated on the 31st December, and the just rates of compensation to be charged to them hereafter, are now being considered by the President.

The contract with the Post-Office Department was made for four years, from June 1st, 1852; but it is presumed that on the opening of the Southern Division an opportunity will be afforded for procuring more favorable terms.

Respectfully submitted by

WM. N. JENKS,

General Freight and Ticket Agent.

STATEMENT *showing the number of Passengers carried* to *and* from *each Station on the Delaware, Lackawanna and Western Railroad, for and during the year* 1854

STATIONS.	Passengers to	Revenue.	STATIONS.	Passengers from	Revenue.
	No.	$ c.		No.	$ c.
Scranton,	13,172	13,394 86	Scranton,	12,890½	13,133 35
C. Summit,	2,257	967 79	C. Summit,	2,018½	896 15
Abington,	2,397½	1,735 09	Abington,	2,550	1,460 67
Factoryville,	2,421½	1,346 69	Factoryville,	2,744	1,614 22
Tunnel,	249½	136 00	Tunnel,	207½	132 20
Tunkhannock,	2,459	1,741 32	Tunkhannock,	2,561½	1,778 79
Hopbottom,	1,696	1,013 29	Hopbottom,	1,867	1,188 67
Oakley's,	988½	526 49	Oakley's,	1,337½	779 41
Montrose,	4,983	2,849 98	Montrose,	4,497½	2,718 75
New Milford,	2,868	984 80	New Milford,	3,026½	1,209 47
Great Bend,	15,683	15,936 92	Great Bend,	15,424½	15,716 55
	49,125	40,633 23		49,125	40,633 23

DELAWARE, LACKAWANNA AND WESTERN RAIL-ROAD CO.

OFFICE MACHINE AND CAR SHOPS AND FOUNDRY,
Scranton, January 5, 1855.

D. H. DOTTERER, Esq.,

Superintendent:

DEAR SIR,—I herewith hand you a statement showing the operations in this department during the past year.

The stock of materials on hand at the end of last year, as per Inventory, was		$44,824 39
The amount of Iron, Lumber and other materials purchased and received during the year, is		156,579 55
The amount paid for labor,		60,568 92
		$261,972 86
The total amount of work done (labor and materials) during the year, as stated below, was	$204,117 44	
The amount of stock of materials on hand at the end of the year, as per Inventory, was	60,054 64	264,172 08
Balance, being apparent profit,		$2,199 22

or excess in prices charged for the work done beyond its actual cost, which might, perhaps, be properly applied to meet the depreciation in value of the machinery and tools in use.

The work done, as above stated, has been as follows:—

CONSTRUCTION,—(Northern Division.)

Grading, for Repairs Grading Engines, Gravel Cars, &c.,	$5,693 99	
Superstructure, for Switches, Frogs, &c.,	2,715 88	
Machine and Work Shops,	1,380 49	
Freight and Passenger Stations,	122 55	
Water Stations and Wood Sheds,	419 99	
Offices and Stations,	23 13	
		$10,557 83

CONSTRUCTION.—(Southern Division.)

Grading, for Gravel Cars, Trestles, &c.,	$2,836 53	
Superstructure, Switches, &c.,	920 56	
		3,757 09

CONSTRUCTION.—(General Expenditure.)

New Machinery and Tools,	$2,611 35	
Passenger and Baggage Cars,	66 35	
New Freight Cars,	17,605 00	
New Coal Cars,	99,325 00	
Derrick Car,	651 34	
Caboose Car,	316 58	
		120,575 62

COAL DEPARTMENT.

Coal Department, Construction,	$8,859 44	
Do. Expenses,	128 98	
		8,988 42
Amount carried forward,		$143,878 96

Amount brought forward,		$143,878 96
TRANSPORTATION EXPENSES.		
Repairs Passenger Engine and Tenders	$2,598 01	
" Freight Engnes and Tenders	3,866 93	
" Coal do. do.	8,788 33	
" Passenger and Baggage Cars	1,348 58	
" Freight Cars	4,366 74	
" Coal Cars	11,764 64	
" Road Bed	330 96	
" Track	1,376 59	
" Fences and Gates	57 71	
" Truss Bridges	127 46	
" Station Houses	761 65	
" Engine and Car Houses	233 44	
" Machine and Work Shops	264 56	
" Machinery and Tools	2,308 42	
Incidental expenses	2,274 47	
Transportation	566 66	
		41,535 15
Sundry contractors on Southern Division, &c., &c	$17,292 37	
Oil, &c	1,410 96	18,703 33
Total		$204,117 44

It will be seen, from the foregoing, that much the largest amount of work done has been on account of General Expenditure, in the construction of Cars, which have been estimated and charged at the same prices as formerly, notwithstanding the increased cost of lumber, &c., used in their construction. The number of new cars made is as follows, viz.:

420	4	wheeled	Coal Cars.	
36	8	do.	do.	
21	8	do.	Side Dump Coal Cars.	
4	8	do.	Platform Freight Cars.	
10	8	do.	House	do.
1	8	do.	Derrick	do.
1	4	do.	Caboose	do.
493				

In addition to which, there have been built 10 Gravel Cars and 150 Coal Mine Cars. Since the new Iron Foundry was started, in July last, we have been enabled to obtain full supplies of castings, and at a cost much reduced from the price formerly paid for them, and thereby avoided the inconvenience arising from delays in not being promptly supplied with this important article of materials for our use.

I annex a list of the locomotive engines now owned by the Company, with a statement of the miles run by each, the cost of repairing the same during the past year, and the branch of service, or account to which said repairs were allotted.

Very respectfully, your obedient servant,

H. L. MARVINE, *Clerk.*

LIST OF LOCOMOTIVE ENGINES OWNED BY THE DELAWARE, LACKAWANNA AND WESTERN RAIL-ROAD COMPANY, DECEMBER 31, 1854.

Name.	Class.	Makers.	Time on the Road.	No. miles run in 1854.	Cost of Repairs in 1854.	Cost per mile run.	Condition.
1 Pioneer,	4th Class.	Unknown.	3 y'rs 6 mos.	——	$66 95	——	Worthless.
2 Spitfire,	4th "	English.	3 " "	9,550	1,088 03	11 28	In service; wants new wheels.
3 Wyoming,	2d "	Roger-, Ketchum & Grosvenor.	3 " 3 "	20,185	1,520 10	7 53	In service; boiler, cross-heads and slides need rep'a.
4 Capouse.	1st "	Ditto.	3 " 3 "	10,382	1,681 61	16 19	Ditto, in good order.
5 Montrose,	2d "	Ditto.	3 " 2 "	22,020	1,706 61	7 75	Ditto, do.
6 Ithaca,	2d "	Ditto.	3 " 1 "	16,752	1,791 11	10 69	Ditto, flues want repairing, and new links.
7 Keystone,	1st "	William Swinburne.	2 " 9 "	7,975	1,132 90	14 20	Under repairs; new tire and flues spliced.
8 Niagara,	1st "	Rogers, Ketchum & Grosvenor.	2 " 6 "	15,363	599 56	3 90	In service; wants tire turned.
9 Ontario,	1st "	Ditto.	2 " 6 "	13,817	1,364 42	9 88	Under repairs; broken cylinder.
10 Genesee,	1st "	Ditto.	2 " 5 "	20,417	965 17	4 73	In service; wants tire turned.
11 Buffalo,	1st "	Ditto.	2 " 5 "	20,776	1,638 18	7 88	Ditto, in good order.
12 Wyalusing,	1st "	Danforth, Cooke & Co.	1 " 7 "	17,697	1,668 36	9 42	Under repairs; receiving new tire.
13 Pocono,	1st "	Ditto.	1 " 3 "	18 818	570 51	3 00	Ditto, cylinder broke.
14 Anthracite,*	1st "	Ditto.	7 "	7,985	1,012 27	12 67	In service; in good order.
15 Moosic,	2d "	N. J. Locomotive Works.	6 "	8,785	131 20	1 50	Ditto, ditto.
16 Lackawanna,	1st "	Danforth, Cooke & Co.	5 "	11,008	127 85	1 16	Ditto, ditto.
17 Susquehanna,	1st "	Ditto.	4 "	6,265	141 31	2 26	Ditto, ditto.
18 Tobyhanna,	1st "	N. J. Locomotive Works.	3 "	2,025	147 22	7 27	Ditto, ditto.
19 Carbon,*	1st "	Ross Winans.	3 "	1,525	533 11	34 95	Under repairs; from collision with coal cars.
				231,445	$17,886 47	7 72	

* Coal Burners.

RECAPITULATION OF ENGINE REPAIRS.

Repairs to Passenger Engines and Tenders,		$2,598 01	
Do.	Freight " "	3,866 93	
Do.	Coal " "	8,788 33	
Do.	Grading " "	2,633 20	
			$17,886 47

TABLE OF DISTANCES (IN MILES AND TENTHS)

ON THE

DELAWARE, LACKAWANNA AND WESTERN RAIL-ROAD.

	Great Bend.	New Milford.	Montrose.	Oakley's	Hopbottom.	Tunkhannock.	Factoryville.	Abington.	Clark's Summit.	Scranton.	Greenville.	Dalesville.	Summit.	Naglesville.	Analomink.	Stroudsburg.	Del. Water-Gap.	Del. Bridge.	New Hampton.	Elizabeth P'rt.	New-York.
Great Bend,		6.6	13.2	18.4	20.8	26.7	32.2	37.9	40.8	47.8	53.2	60.3	66.5	73.8	95.4	99.5	103.5	110.7	128.7	175.7	187.7
New Milford,	6.6		6.6	11.8	14.2	20.1	25.6	31.3	34.2	41.2	46.6	53.7	59.9	67.2	88.8	92.9	96.9	104.1	122.1	169.1	181.1
Montrose,	13.2	6.6		5.2	7.6	13.5	19.1	24.7	27.6	34.6	40.0	47.1	53.3	60.6	82.2	86.3	90.3	97.5	115.5	162.5	174.5
Oakley's,	18.4	11.8	5.2		3.4	9.3	15.9	20.5	23.4	30.4	35.8	42.9	49.1	56.4	78.0	82.1	86.1	93.3	111.3	158.3	170.3
Hopbottom,	20.8	14.2	7.6	3.4		5.9	12.5	17.1	20.0	27.0	32.4	39.5	45.7	53.0	74.6	78.7	82.7	89.9	107.9	154.9	166.9
Tunkhannock,	26.7	20.1	13.5	9.3	5.9		5.8	10.4	13.3	20.3	25.7	32.8	39.0	46.3	67.9	72.0	76.0	83.2	101.2	148.2	160.2
Factoryville,	32.2	25.6	19.1	15.9	12.5	5.8		5.4	8.3	15.3	20.7	27.8	34.0	41.3	62.9	67.0	71.0	78.2	96.2	143.2	155.2
Abington,	37.9	31.3	24.7	20.5	17.1	10.4	5.4		2.9	9.9	15.3	22.4	28.6	35.9	57.5	61.6	65.6	72.8	90.8	137.8	149.8
Clark's Summit,	40.8	34.2	27.6	23.4	20.0	13.3	8.3	2.9		7.0	12 4	19.5	25.7	33.0	54.6	58.7	62.7	69.9	87.9	134.9	146.9
Scranton,	47.8	41.2	34.6	30.4	27.0	20.3	15.3	9.9	7.0		5.4	12.5	18.7	26.0	47.6	51.7	55.7	62.9	80.9	127.9	139.9
Greenville,	53.2	46.6	40.0	35.8	32.4	25.7	20.7	15.3	12.4	5.4		7.1	13.3	20.6	42.2	46.3	50.3	57.5	75.5	122.5	134.5
Dalesville,	60.3	53.7	47.1	42.9	39.5	32.8	27.8	22.4	19.5	12.5	7.1		6.2	13.5	35.1	39.2	43.2	50.4	68.4	115.4	127.4
Summit,	66.5	59.9	53.3	49.1	45.7	39.0	34.0	28.6	25.7	18.7	13.3	6.2		7.3	28.9	33.0	37.0	44.2	62.2	109.2	121.2
Naglesville,	73.8	67.2	60.6	56.4	53.0	46.3	41.3	35.9	33.0	26.0	20.6	13.5	7.3		21.6	25.7	29.7	36.9	54.9	101.9	113.9
Analomink,	95.4	88.8	82.2	78.0	74.6	67.9	62.9	57.5	54.6	47.6	42.2	35.1	28.9	21.6		4.1	8.1	15.3	33.3	80.3	92.3
Stroudsburg,	99.5	92.9	86.3	82.1	78.7	72.0	67.0	61.6	58.7	51.7	46.3	39.2	33.0	25.7	4.1		4.0	11.2	29.2	76.2	88.2
Delaware Water-Gap,	103.5	96.9	90.3	86.1	82.7	76.0	71.0	65.6	62.7	55.7	50.3	43.2	37.0	29.7	8.1	4.0		7.2	25.2	72.2	84.2
Delaware Bridge,	110.7	104.1	97.5	93.3	89.9	83.2	78.2	72.8	69.9	62.9	57.5	50.4	44.2	36.9	15.3	11.2	7.2		18.0	65.0	77.0
New Hampton,	128.7	122.1	115.5	111.3	107.9	101.2	96.2	90.8	87.9	80.9	75.5	68.4	62.2	54.9	33.3	29.2	25 2	18.0		47.0	59.0
Elizabeth Port,	175.7	169.1	162.5	158.3	154.9	148.2	143.2	137.8	134.9	127.9	122.5	115.4	109.2	101.9	80.3	76.2	72.2	65.0	47.0		12.0
New-York,	187.7	181.1	174.5	170.3	166.9	160.2	155.2	149.8	146.9	139.9	134.5	127.4	121.2	113.9	92.3	88.2	84.2	77.0	59.0	12.0	

28
183

With reports of

THIRD

ANNUAL REPORT

OF THE

BOARD OF MANAGERS

OF THE

Delaware, Lackawanna & Western Rail-Road Co.

TO THE STOCKHOLDERS.

JANUARY, 1856.

NEW-YORK:
GEORGE P. NESBITT & CO., PRINTERS.
1856.

INDEX.

PAGE

Names of Officers and Managers for 1859,

Proceedings of the Annual Meeting of the Stockholders, Jan., 1859,

Report of the Board of Managers,
Historical Sketch of the Enterprise,..... 7, 8, 9,
Connecting Roads—Notices of,..... 10,
Operations of the past year,

Construction—Expenditures for, and Equipment of, R. R.
Progress and Condition of Work on the Southern Division,
" " " " Eastern "
" " " " Northern "
" " " " Cayuga "

Coal Department—Expenditures for opening Mines, &c., in 1859,
Appropriation to "Coal Department Fund,"
Mining and Coal Shipments,

Transportation Department—Earnings and Expenses,
Business of Northern Division,
" Cayuga "
Lease of Cayuga and Susquehanna R. R.,
Business of Southern Division,

Machine and Car Shops and Foundries at Scranton,
Ithaca Shop,

Financial Condition,
Sales of Eastern Extension Bonds of 1875,
Proposed issue of Second Mortgage Bonds,
Dividend on Stock,
Contracts for Transportation and Purchase of Coal,..... 28,
Future prices of Coal,
General Prospects of the Company,
Notice of H. W. Nicholson, Esq., (dec'd,) former Counsel to the Co.,
Appointment of John Dribbin, Esq., Counsel and General Land Agent,

Report of Auditing Committee,

Balance Sheet, and sundry Exhibits,..... 30, 31, 32,

General Agent's Report,

Chief Engineer's Report,

General Land Agent's Report,

Paymaster's Report,

General Coal Agent's Report,

Report of Superintendent of Northern Division,

Report of Chief Clerk of Machine and Car Shops, at Scranton,

Report of Superintendent of Cayuga Division,

General Freight Agent's Report,

General Ticket Agent's Report,

Historical View of Succession of Officers and Managers of the Company,

Loan of $2,600,000,

THIRD

ANNUAL REPORT

OF THE

BOARD OF MANAGERS

OF THE

Secretary.

The meeting having been called to order, the minutes of the last previous annual meeting were read and approved.

The President then made a few introductory remarks

TO THE STOCKHOLDERS.

JANUARY, 1856.

NEW-YORK:
GEORGE F. NESBITT & CO., PRINTERS.
1856.

OFFICERS

OF THE

Delaware, Lackawanna & Western Rail-Road Co.

FOR 1856.

GEORGE D. PHELPS,....PRESIDENT.
DRAKE MILLS,.....*Vice-President.*
WILLIAM E. WARREN,...*Treasurer.*
ANDREW J. ODELL,.....*Secretary.*

MANAGERS.

Lease of Cayuga and Susquehanna R. R. 19
Business of Southern Division 20
Machine and Car Shops and Foundries at Scranton 20
Blast Shop 21
Financial Condition 21

GEORGE W. SCRANTON,	MOSES TAYLOR,
ROSWELL SPRAGUE,	RUFUS R. GRAVES.

STANDING COMMITTEES.

Executive Committee.	*Finance Committee.*
DRAKE MILLS,	JOHN J. PHELPS,
GEORGE BULKLEY,	MOSES TAYLOR,
ROSWELL SPRAGUE,	SAMUEL WILLETS.
WILLIAM E. DODGE.	

Coal Committee.	*Committee on Accounts.*
WILLIAM E. DODGE,	HENRY YOUNG,
JOHN J. PHELPS,	THOMAS McELRATH,
MOSES TAYLOR,	RUFUS R. GRAVES.
SAMUEL L. MITCHILL.	

PROCEEDINGS

OF THE

ANNUAL MEETING OF THE STOCKHOLDERS.

AT the annual meeting of the Stockholders of the Delaware, Lackawanna and Western Rail-Road Company, held, in pursuance of public notice, at the office of the Company, No. 49 Wall-street, New-York, on Tuesday, the 22d day of January, A. D. 1856:—GEORGE D. PHELPS, Esq., President, occupied the chair, and ANDREW J. ODELL acted as Secretary.

The meeting having been called to order, the minutes of the last previous annual meeting were read and approved.

The President then made a few introductory remarks, setting forth in general terms the results of the business of the past year; after which,

The Annual Report of the Treasurer was presented and read—containing an abstract of the receipts and disbursements for the year ending 31st December, 1855; showing the expenditures for construction of the Rail-Road, and for mining improvements; also the revenue derived from the Transportation and Coal Departments, and the cost of operating the same during that time; and exhibiting the present financial condition of the Company.

The General Agent submitted a Report, showing the present condition of the Rail-Road, mines and fixtures; the preparations made for the business of the present year; an estimate of the amount of coal, for which arrangements have been made, for transportation to the Eastern, Northern and

Western markets; and various other items of interest, pertaining to the past and future practical operations of the Company.

On motion of Mr. MILLS, duly seconded, it was

Resolved, That the Reports of the Treasurer and General Agent, exhibiting the financial and practical business of the Company for the past year, abstracts from which have now been submitted and read, be accepted and adopted; and that they be referred to the Board of Managers, to be printed in connection with their Annual Report for distribution among the Stockholders.

The President then explained the unavoidable causes of the delay in the completion and opening of the Southern Division of the Rail-Road, and the circumstances which led to the increase of the Floating Debt, since the last annual meeting. He also alluded to the proposed further issue of Bonds, to be secured by a second mortgage, and stated that the Board of Managers had determined to allow such of the Stockholders present at this meeting, as had not already subscribed for their *pro rata* amount, to avail themselves of this opportunity to take their proportion of onds, on the terms heretofore offered. The names of such as signified their desire to take said Bonds, were thereupon registered by the Secretary.

Remarks were then made by Messrs. DODGE, MILLS and BLAIR, in reply to an inquiry by ROBERT L. STUART, Esq., explaining the reasons which induced this Company to subscribe to the capital stock of the Warren Rail-Road Company and the Lackawanna and Bloomsburg Rail-Road Company, and to guarantee a portion of the Bonds of the former Company, and referring to the last Annual Report, for a full statement of such reasons. Said subscriptions and guarantee having been approved, it was, on motion of ROBERT L. STUART, Esq., seconded by W. E. DODGE, Esq.,

Resolved, That no further subscription to the capital stock. nor endorsement of the Bonds, of other Companies, be made by this Company, except such as may be necessary for the completion of the Warren Rail-Road, until the subject of such subscription or endorsement be first submitted to the Stockholders, and approved by the holders of a majority of the shares of the capital stock.

JOHN J. PHELPS, Esq., then made some practical observations on the prospective business and revenues of the Company, and demonstrated, by a series of calculations, the certain profitableness of the enterprise in which this Company are engaged. He called the attention of the Stockholders, by some pertinent and forcible remarks, to the peculiar fact, that they possessed, at the very centre of their operations, the resources for an extensive and lucrative business, the development of which had but just commenced, and which the labor of years would not exhaust.

Upon the conclusion of his remarks, on motion of Mr. DODGE, seconded by Mr. BULKLEY, it was

Resolved, That when this meeting adjourns, it adjourn to meet at Scranton, at such time as may be fixed by the Board of Managers, for the purpose of examining the operation of the various Departments of the enterprise in which they are interested.

Remarks testifying to the fidelity and constant attention to the interests of the Company, manifested by the Officers and Managers for the past year, were then made; which were followed by the adoption of the following Resolutions, offered by W. S. WETMORE, Esq., and seconded by L. L. STURGES, Esq.,

Resolved, That this meeting do approve all the acts and proceedings of the President and Board of Managers during the year just terminated; and that they are entitled to, and have, the full confidence of the Stockholders.

Resolved furtther, That the Stockholders do recommend the completion of the Rail-Road, with a double track; and for that purpose, they do hereby authorize the President and Board of Managers, to provide the necessary funds at such times, and in such manner, as they may deem most in accordance with the interests of the Company.

The Stockholders then proceeded to vote for Officers and Managers for the ensuing year; and the Judges appointed and qualified to conduct the election, (Messrs. L .L. Sturges

and Thomas W. Gale,) at the closing of the polls, announced the unanimous choice of the following gentlemen to the offices recited in connection with their respective names.

GEORGE D. PHELPS, PRESIDENT.

WILLIAM E. WARREN, TREASURER.

ANDREW J. ODELL, SECRETARY.

MANAGERS.

DRAKE MILLS,	MOSES TAYLOR,
JOHN J. PHELPS,	HENRY YOUNG,
WILLIAM E. DODGE,	SAMUEL WILLETS,
GEORGE BULKLEY,	WILLIAM E. WARREN,
GEORGE W. SCRANTON,	THOMAS McELRATH,
JOHN I. BLAIR,	SAMUEL L. MITCHILL,
ROSWELL SPRAGUE,	RUFUS R. GRAVES.

The meeting then adjourned.

GEORGE D. PHELPS, *Chairman.*

A. J. ODELL, *Secretary.*

REPORT.

The close of another year devolves upon the President and Board of Managers, the agreeable duty of reporting to the Stockholders the transactions of the year, and the present condition of the important interests committed to their administration.

Before entering upon that duty in detail, it is deemed proper, in view of the anticipated speedy completion and opening of the entire line of our works, to present a brief historical sketch of the leading events which have brought us to the present stage of the enterprise. Some notice of these events has indeed been given in preceding Reports; but inasmuch as they may not have been seen by all the present Stockholders, and since the completion of the Road cannot fail to have awakened increased interest among them, and the public generally, in this important undertaking, it seems expedient now to present such history in more connected detail, showing in one view the successive steps by which the several preliminary and partial organizations have at length been united and brought under one management.

This enterprise was projected and undertaken by a few of those now interested therein, as early as 1846. The immediate object aimed at by them, was to open a communication between Scranton and the New-York and Erie Rail-Road (then in progress) at Great Bend. A law had been obtained in 1832, authorizing the construction of an inclined plane road, between those points, under the name of the Ligett's Gap Rail-Road. Though the project, owing to an inability to obtain capital and means for its completion, was for a time postponed; and though out of the sixteen Commissioners named in the Act of Incorporation, five had died and six

others had removed from the State; yet the law itself had been kept alive by supplements obtained from time to time, extending the period within which operations might be commenced. This law being found suitable for our purposes, measures were taken to obtain possession of it; which being done, it was afterwards further amended, by the supplements of 1847 and 1849, giving the right to acquire and hold coal lands: and in the latter year the capital stock was subscribed to an amount of $251,300, and an organization effected in form, under the aforesaid title of "The Ligett's Gap Rail-Road Company."

During the year 1849 a careful survey was made, which resulted in the adoption of the present line, and the work was commenced in 1850. Some difficulties were experienced in procuring the additional means required, in consequence of the fact that its Northern terminus was to be at Great Bend, from which no open access could be commanded to the Erie Canal, and the channels of business to the North and West, affording an outlet for our coal.

About this time, an application was made to this Company to purchase the Cayuga and Susquehanna Rail-Road. On examination, it was found that this would afford to us the desired outlet; also, that the control of it would at all times thereafter be useful to secure the Company from the exactions to which they might otherwise be exposed, from advantage being taken of their necessities by other routes.

The purchase of this Road was accordingly made, and measures taken to rebuild and enlarge its capacity, so as to meet our wants. That Company, however, having been incorporated under the laws of another State, and no legal authority having been given for its purchase, by this Company, as such, the necessary means for that purpose were furnished by our individual Stockholders, who succeeded to the corporate title and powers of that Company.

Having thus acquired control of this Road, it was at once thought advisable to change the terminus of our Road

from Great Bend to Owego, thus making a continuous and somewhat shorter line from Scranton to Ithaca. It being ascertained, however, that an arrangement could be effected with the N. Y. and Erie Rail-Road Company, for the use of their road between Great Bend and Owego, which would for a time meet the necessities of the Company, and save a considerable expenditure, it was judged best to make such arrangement, and to adhere to the original purpose of building our Road to Great Bend. The contract with the New-York and Erie Company to that effect, bears date January 27, 1851. The construction of the Road now known as our Northern Division, was continued, and so far completed as to admit of being opened for business in October of the same year. It should be added, that during this year, the name of the Company was changed, by act of the Legislature, to "The Lackawanna and Western Rail-Road Company."

Having completed the above arrangements, the attention of the Company was next given to the carrying out of a part of their original plan, contemplating an outlet in the opposite direction, towards Philadelphia and New-York. Already there existed a Company, incorporated April 7th, 1849, under the name of "The Delaware and Cobb's Gap Rail-Road Company," for the purpose of building a Rail-Road from Scranton to the Delaware River, at or near the Water Gap. Negotiations had been held for a union with that Company, which were finally successful. This Company had already been organized, and its capital stock subscribed, in December, 1850. During the next two years the surveys were made, and the location of the line adopted early in 1853. Other Companies were also treated with, for the purpose of completing our connections southward and eastward as aforesaid. A joint application was at this time made by that Company and our own for an Act of the Legislature for their consolidation; which was granted, March 11, 1853, and the union consummated, under our present name of "The Delaware, Lackawanna, and Western Rail-Road Company."

Additional subscriptions to the Capital Stock were now procured, and the work of construction put under contract, June, 1853. This work has been in progress since that time, and the particulars of its history during the year past, and of its present condition, will be found given in detail in another part of this Report, under the appropriate title of "Southern Division."

Arrangements for the extension of our Road to the Delaware River having thus been made, it remained to complete the desired connections from that point southward to Philadelphia, and eastward to New-York. The former of these has not as yet been done; but we entertain the hope that ere long the Belvidere Delaware Rail-Road, which has been recently opened to Belvidere, N. J., only four miles distant from our line, will be extended to effect a junction with it. To effect a connection eastward, negotiations were had with the Morris and Essex, and the Central Rail-Road Companies of New Jersey, which resulted in an arrangement with the last named, by which they, in conjunction with ourselves, furnished the chief means for constructing a connecting Road of 18 miles, called the "Warren Rail-Road," a charter for which had been obtained in 1851. This Road is now nearly finished, and is to be leased to us according to the terms of a mutual contract between the said three Companies. It was also agreed with the Central Rail-Road Company of New Jersey, that to accommodate our broad-gauge cars, they should lay down an extra rail on their Road, and provide a second track of the same gauge, whenever the freight furnished by us shall amount to 400,000 tons per annum.

Such were the various steps, involving in their adjustment and execution much perplexity and effort, by which our enterprise has advanced, and, from small beginnings, is now taking its legitimate place among the important undertakings of our times. These embarrassments were overcome, and the results now attained have been reached only by unceasing watchfulness, and by a liberality of

views and of investment on the part of our Stockholders, worthy alike of them and of the magnitude of the objects they were eventually to secure.*

In this general view of the connections of our Road mention should be made also of the Lackawanna and Bloomsburg Rail-Road, by means of which communication will be opened with the South-west and West. About twenty miles of the Northern portion of this Road will be opened for business in the ensuing spring, and the entire Road will, when completed, be a valuable auxiliary to our own. In anticipation of that fact, and for other reasons detailed at length in our last Annual Report, this Company have furnished a portion of the means requisite for its construction.

We have also important Northern and North-western broad-gauge connections *via* the "Oswego, Binghamton and New-York," and the "Lake Ontario, Auburn and New-York" Rail-Roads, besides the great New-York and Erie Rail-Road. The former two, besides passing through a fertile and populous region of country, where coal will be in extensive use, and which will furnish, in return, agricultural products of large amount, will open a communication direct with Lake Ontario and Canada.

The Oswego, Binghamton and New-York Rail-Road is completed and in operation from Binghamton to Syracuse, and the remaining portion of it northward will doubtless be constructed at an early day. The Lake Ontario, Auburn and New-York Rail-Road, the building of which was suspended for a time, is now about to be resumed, with favorable prospects. Through the New-York and Erie, we have, as it is well known, access to a wide extent of country eastward and westward from Great Bend, into which our "Scranton coal" has been already introduced, and is favorably regarded, with prospects of a largely increased demand for it in the future.

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* For a view of the succession of the Officers and Managers of this Company, rom the original organization to the present time, see end of pamphlet.

OPERATIONS OF THE PAST YEAR.

The operations on the line of the works, in accordance with the plan heretofore adopted, will be principally shown in the annexed detailed Reports of the General Agent, and of the various officers who have had charge of the business in the several departments. It will be necessary to give only their general results in this place.

CONSTRUCTION—RAIL-ROAD.

The expenditures in this department, during the year, have been as follows, viz.:

RAIL-ROAD.	Northern Division.	Southern Division.	Eastern Division.	Cayuga Divis'n.	General Exp'dt'res	TOTAL.
Office Expenses and Stationery,	875 00	15,111 59		273 13		16,259 72
Engineer Department,	842 60	14,899 59		3 00		15,245 19
Agency,	174 99	1,446 32				1,621 31
Land, Land Damages, and Fences,	5,847 90	8,717 91		139 41		14,705 22
Grading,	51,081 57	781,786 47		2,820 26		835,688 30
Truss Bridges,	874 63	14,186 42				15,061 05
Superstructure,	4,300 97	122,985 08		716 27		128,002 32
Iron,		257,009 61		1,674 13		258,683 74
Contingencies,	98 56	1,315 06				1,413 62
BUILDINGS.						
Engine and Car Houses,	12,717 05					12,717 05
Machine and Work Shops	1,802 95	22 50				1,825 45
Freight and Passenger Stations,	553 22	1,719 62		1,215 87		3,488 71
Water Stations and Wood Sheds,	1,018 89	9,300 17		668 72		10,987 78
Ithaca Wharves & Docks,				224 28		224 28
Cayuga Bridge Property Piers and Docks at Elisabeth Port,			14,454 65			14,454 65
EQUIPMENT.						
Office Expenses and Stationery,					3,423 00	3,423 00
Machinery and Tools for Shops,					10,492 32	10,492 32
Locomotives and Tenders					112,774 75	112,774 75
Pass'ger & Baggage Cars					42,645 01	42,645 01
Freight Cars,					55,107 70	55,107 70
Coal Cars,					102,401 28	102,401 28
Add Disc't on $1,500,000 Eastern Extension Bonds, of 1875,		225,128 75				225,128 75
Total,	80,188 33	1,458,129 09	14,454 65	7,735 07	326,844 06	1,892,351 20

SOUTHERN DIVISION.—The Reports of the General Agent and Chief Engineer narrate the very extraordinary obstacles we have encountered in the completion of the Road, with the causes thereof, and the increased cost of the work, which has been occasioned in consequence.

The Board take pleasure in stating their convictions that the countenance which was at first given to the unwarrantable proceedings of the discontented contractors by the civil authorities, and the inhabitants residing near the line, did not originate in any hostility to the Company, but from misinformation respecting the terms of the contracts, and the character of the unprecedented claims made under them. As soon as the real facts in the case were known, that countenance was at once withdrawn, and both authorities and citizens promptly united in maintaining the law, and protecting the rights of the Company; in consequence of which, together with the energetic measures of the Agents and men employed by us, we are happy to say that the difficulties have been adjusted and the work has since been rapidly advanced towards completion.

This part of the Road was so far finished (a single track), that a locomotive and train of cars passed over it from Scranton, to and across the Delaware River on the 21st day of January inst. Much, however remains to be done to put the Road in good working order, which cannot be effected until the breaking up of winter.

A considerable portion of the Road on this Division is already completed for the reception of a second track, and the rails for the same have been purchased, and 1500 tons thereof already delivered at Scranton and paid for. It is the intention of the Board to commence laying the second track immediately, according to the suggestions made in the report of the General Agent, and to complete the whole as soon as their means will permit.

As yet, the line through to New Hampton is not opened, owing to the delay in completing the first tunnel on the

rren Rail Road at Vass Gap, near the Delaware River; but work thereon is now being pushed forward with energy, d from the report of Mr. Blair it is expected to be finished me time in March next. This Road, of whose construc- on Mr. Blair has had the principal charge, will, according o contract, soon come into the possession of this Company.

EASTERN DIVISION.—For convenience in distinguishing the expenditures for Depot grounds and improvements made at Elizabeth Port or elsewhere on the Central R. R. of New Jersey, an account has been opened under this head. The amount expended in constructing piers and trestlings for unloading coal into vessels at Elizabeth Port is $14,454 65. The payment for the Depot Grounds has not yet been made, in consequence of a delay in perfecting the titles; but it is expected that the whole matter will shortly be satisfactorily adjusted. The plan of the works at this place and their progress towards completion are stated in the report of the General Agent.

The laying of the third rail on the Central Rail-Road of New-Jersey to accommodate our broad gauge cars is nearly completed. We are informed by John O. Sterns, Esq., the Superintendent, that the ties for this purpose are all laid, and the whole of the work now remaining to be done, can be finished in a single week. It is believed that experience will show it to be for the mutual interest of both Companies to effect arrangements, so that our passenger and freight trains may run with our own locomotives, directly through on their Road to and from Elizabeth Port.

NORTHERN DIVISION.—The work done on this Division during the year, for the completion of the Road, and the amount still requisite for that purpose, will be seen in the reports of the General Agent and Division Superintendent. It remains still, as it has been, the policy of the Managers to prosecute this work at their convenience, and it is anticipated that the construction account for a main line of single track *on this Division* will soon be closed.

The importance of a new Union Station House at Great Bend, for the convenience of this and the New-York and Erie R. R. Company continues to be felt by both Companies; and according to a resolution long since adopted by this Board, the building of it will be commenced whenever the latter shall be ready to engage with us therein.

The construction of a lateral Rail-Road through Keyser's Valley from its junction with the main track at or near Fuller's trestle, southerly about $2\frac{1}{4}$ miles, has been long contemplated, and is now resolved upon; and the work on it will be commenced when the right of way shall have been conceded without charge, and the means of the Company will admit; which it is hoped will be in the course of the present year. This Road will afford access to the rear of the "Griffin Farm" belonging to this Company, and to other valuable coal estates lying in that Valley.

CAYUGA DIVISION.—This Division, embracing the Cayuga and Susquehanna Rail-Road, which has been leased by us as hereinafter stated, has, including sundry tools, gravel cars and fixtures, received from the C. & S. R. R. Co. of the value of $3,220 63, involved an expenditure for construction purposes during the year, of $7,735 97, as shown in the preceding tabular statement. Beyond the completion of the trestlings for the transhipping of coal into boats at Ithaca, it is anticipated that few additional accommodations will be required upon this Division.

COAL DEPARTMENT.

CONSTRUCTION.—The expenditures under this head, for opening mines, and erecting working fixtures for the same, have been as follows, viz. :—

Coal Lands,.....	$176 56		
Opening Mines,.....	26,396 48		
Mine Railway and Cars,.....	3,540 76		
Horses, Mules, and Harness,.....	302 50		
Coal-Breakers and Engines,.....	48,323 78		
Mining Tools, Implements, &c.,.....	162 90		
Coal-Yards and Offices,.....	3,259 15		
Scales, Tools, &c., for Yards,.....	346 61		
Expenses of General Office,.....	885 00		
Miners' Tenements,.....	6,325 51		
Buildings,.....	636 89		
Contingencies,.....	95 21		
	$90,451 35		$90,451 35
Deduct sales of Fixtures in coal-yard at Buffalo,.		$833 23	
Received on sales of Building Lots, &c.,.....		1,726 92	2,560 15
			$87,891 20

The Board, having reserved for the use of the Company one-third of the capacity of their Road, had hoped that proposals, according to invitation given through the public papers, would have been made to them by other parties, for the transportation of coal to its full remaining capacity. This, however, has not been done, owing, probably, to the financial embarrassments of the year; and they have felt bound, therefore, to increase the mining operations of the Company itself to an extent that should supply the deficiency. It is in consequence of so doing, that the expenditures under the present head have been so large during the year.

For a particular account of the work done in this department, reference is made to the Reports of the General Agent and General Coal Agent.

Under the resolution of the Board, adopted last year, providing for the creation of the "Coal Department Fund," to reimburse the expenditures incurred in opening mines and

supplying their machinery and fixtures, there has been appropriated during the year, the sum of $28,976 53.

MINING AND COAL SHIPMENTS.—The operations in this department are shown in detail by the Report of the General Coal Agent. It will be observed that the amount of coal forwarded to market, falls short of what was anticipated in the report of last year. This deficiency is reasonably accounted for by the delay in completing the Southern Division.

The total sales during the year, amounted to 160,714 15-20 tons, producing the gross sum of		$608,990 96
Amount received for Rents,		3,300 04
Value of coal on hand Dec. 31, 1855, (36,932 19-20 tons)		127,906 07
		$740,197 07
Value of coal on hand Dec. 31, 1854, (8,631 15-20 tons,)	$24,172 05	
Sundry deductions, &c.,	1,550 12	
Total Expenses for mining, repairs of fixtures, transportation, superintendence, &c., during the year,	547,369 77	
		573,091 94
Showing the net revenue		$167,105 13

The arrangements for a supply of coal for the ensuing year, will appear from the Report of the General Agent.

The Managers are happy to state that they are continually receiving the most gratifying testimonials to the excellent quality of our "Scranton Coal," and the superior manner in which it is prepared for use. To these they may add the personal knowledge of the President and several members of the Board itself, from trials made by them of coal received via Binghamton and the Chenango Canal. We cannot doubt that upon the completion of the Road, and the introduction of the coal into the city of New-York and other Eastern markets, it will at once take high rank, as among the most desirable kinds now in use.

TRANSPORTATION DEPARTMENT.

The operations in this department are shown in the Reports of the General Agent, Superintendents of Division, General Freight Agent, and General Ticket Agent.

The gross earnings of the year amounted to..	$519,296 64	
Drawback received from the New-York and Erie Rail-Road Co,.....	8,898 60	
From Rents,.....	716 00	
		$528,911 24
The expense of operating and repairs of the Road, repairs of machinery and cars, superintendence, &c., were	$269,243 46	
"Old balance" against the N. Y. and E. R. R. Co.	404 44	
		269,647 90
Showing net revenue of.....		$259,263 34

In pursuance of the policy of providing against the depreciation of the Road, and its equipment, from use and natural decay, there has been appropriated from the Transportation earnings to the "Renewal Fund,"* created for that purpose, the sum of $61,893 21.

NORTHERN DIVISION.—The portion of the gross earnings as above, accruing from this Division, was....$383,132 86
The expense of operating, and repairs..... 195,207 13

Amount of net revenue..... $187,925 73

It will be seen that the large increase of business on this Division, predicted in the last Annual Report, has been fully realized.

The Road itself, from the improvements made during the year, and its equipment, are now in good condition, and capable of performing a yet greater amount of business, which, from the opening of the entire line, and from other causes, it can hardly fail to receive.

* For an account of this Fund, and the reasons for its establishment, see Second Annual *Report*, 1855, page 24.

CAYUGA DIVISION.—The history of our connection with the Cayuga and Susquehanna Rail-Road Company has, in part, already been given on a preceding page. It was the intention, from the outset, that the two Roads should have a community of interests. It was found, however, at length, that the maintenance of two separate working organizations involved a superfluous expense, and occasioned much difficulty in harmonizing their action, so as most directly to promote their joint interests. All this pointed to the expediency of the union of the two, and a concentration of the control of both Roads in one Company; and the necessary Legislative authority having been procured, a lease was made by the Cayuga and Susquehanna Rail-Road Company, of their Road, to us, under date of April 13th, 1855, to take effect the 1st day of January preceding. In fixing the terms of said lease, it was assumed that the value of the Road was one million of dollars, (about $29,400 per mile,) although its actual cost, including the discount on certain bonds of the Company, was over $1,200,000. The rent was accordingly fixed at $70,000 per annum, being seven per cent. on said assumed value, payable half-yearly, on the 1st of January and July; the taxes being borne by us. The Company also gave us their entire equipment of locomotives, cars, and machinery, all materials on hand, and their steamboat property on Cayuga Lake—in all, of the appraised value of $92,938 43 for which a bill of sale was executed by them. Besides this, they conferred the right to mine coal, without charge, on their lands, near Scranton, lying adjacent to our Road; a privilege which may hereafter become valuable. It is important to state, also, that, by the terms of our contract with that Company, they are obligated to extend their Road from Owego, southward to the State line, so as to form a connection with our Northern Division, as authorized by their charter, whenever the same shall be required, and the means for so doing shall be furnished by us. In this mode,

a direct continuous line from Scranton to Ithaca may be opened by us, if at any time the facilities for our business furnished by the New-York and Erie Rail-Road Company should prove insufficient, or any other important interest of our enterprise should demand it. The Reports of the General Agent, and of Mr. Humphrey, Superintendent of this Division, will show, at length, the characteristics and present condition of the Road.

That part of the gross transportation earnings accruing from this Division was,.....	$135,554 43
Expenses,.....	74,036 33
Net revenue,.....	$61,518 10

SOUTHERN DIVISION.—There was received for freight, principally coal, transported over this Division by construction trains, $609 .35.

The plans for operating this Division, including the Warren Rail-Road, are now under consideration. New tariffs of prices for freight and passengers, upon the entire line, from New-York to Ithaca, are also being prepared under the direction of a Committee of the Board. Arrangements will also be made by which passengers from the latter place can procure tickets directly through to Philadelphia and the South, as well as to New-York.

MACHINE AND CAR SHOPS, AND FOUNDRIES.

For an exhibit of the work done in these establishments, at Scranton, during the year, reference is made to the Reports of the Chief Clerk, Mr. Marvine, and the Superintendent of the Northern Division, Mr. Dotterer.

It will appear, from these Reports, that, in addition to the ordinary repairs of the locomotives and cars, and of the general mining machinery, a large number of new coal and other cars have been built.

The capacity of these establishments has been much in-

creased by the extension of the wings of the buildings, and the addition to the machinery and facilities for work; so that it is thought that little, if any, further enlargement will be necessary to supply all the demands that will be made upon them by the Road, and the mining business, when in full operation. The shops themselves, with their fixtures, are in excellent condition, and, we believe, under judicious management.

ITHACA SHOP.—The Repair-shop, at Ithaca, is, both in respect to its dimensions and machinery, sufficient for all the ordinary repairs required on the Cayuga Division.

Whatever beyond this is needed, is sent to be done at Scranton.

FINANCIAL CONDITION.

The annexed Balance-Sheet of the Treasurer shows a general view of the financial condition of the Company at the close of the year. Some particulars of this view may be more fully seen, if grouped under the following heads:—

1.—CAPITAL STOCK.

The number of Shares (of $50 each) issued previous to Dec 31, 1854, then held by 274 Stockholders, was		60,110
There have been issued during the year		950
Total, to Dec. 31, 1855, (held by 305 Stockholders,)	Shares,	61,060
61,060 Shares, at $50 each, equal		$3,053,000 00
Of which there was paid in previous to Dec. 31, 1854,	$2,865,175 24	
Amount paid in during 1855,	186,447 26	
		3,051,622 50
Leaving still due, (from 7 Stockholders,)		$1,377 50

2.—GENERAL ACCOUNT, DR.

To Cost of Construction and Equipment of the Rail-Road,		$6,022,666 97
" " Coal Lands and Mining Improvements,		332,513 27
" " Materials on hand, including Oil, Wood for fuel, and stock of Materials at the Shops,		89,757 59
" " 36,933 tons Coal on hand, including transportation,		128,641 07
Amount forward,		$6,573,578 90

Brought forward	$6,573,578 90
To Real Estate in New-York,	24,181 33
" Stock of the Warren Rail-Road Company,	155,950 00
" " the Lackawanna and Bloomsburg R. R. Co.,	125,000 00
" Bills and Accounts Receivable,	287,076 42
" Cash on hand,	41,471 27
	$7,207,257 92

CR.

By Capital Stock, amount paid in,			$3,051,622 50
" Mortgage Bonds of 1871,			900,000 00
" Eastern Extension Bonds of 1875,			1,500,000 00
" Interest due on Bonds, viz. :—			
On Mortgage Bonds of 1871,			
Jan. 1, 1856,	$31,500 00		
" " previously,	140 00		
		$31,640 00	
On East. Extension Bonds			
of 1875, Oct. 1, 1855,	$1,376 71		
" " 3 months,			
to Jan. 1, 1856	26,250 00		
		27,626 71	59,266 71
By Interest due on Stock, viz. :—			
For 6 months, ending Dec. 31, 1855,		$90,817 75	
Balance due previously,		5,796 73	
			96,614 48
" Bills and Accounts Payable, including sundry cash deposits to secure contracts,			1,392.303 85
" Am't of Personal Property rec'd from C. & S. R. R. Co.			92,938 43
" Renewal Fund, amount of appropriation to credit of			61,893 21
" Coal Department Fund " "			28,976 53
" Income Account,—balance applicable to construction purposes,			23,642 21
			$7,207,257 92

3.—INCOME ACCOUNT, CR.

The Balance remaining to the credit of this account, Dec. 31, 1854, was			$105,381 15
Net Revenue, for 1855, viz. :—			
From Coal,		$167,105 13	
" Transportation,		259,263 34	
" Machine Shop 1854,	$2,199 22		
" " " 1855,	5,616 29	7,815 51	
			434,183 98
			$539,565 13

DR.

To Interest on Bonds, on $900,000,	$63,000 00		
" " " $1,500,000,	69,875 16		
" " Stock,	180,723 05		
" " Floating Debt,	41,124 60		
" Rent of Cayuga and Susquehanna Rail-Road,	70,000 00		
		$424,722 81	Forward—

Cr. brought forward,			$539,565 13
Brought forward	$424,722 81		
To Renewal Fund,	61,893 21		
" Coal Department Fund,	28,976 53		
" G. W. Scranton, late General Agent, for oil had of W. S. Brown, in 1852,	330 37		
			515,922 92
" Balance,—applicable to Construction,			$23,642 21

4.—Floating Debt.

The whole amount of outstanding bills and accounts payable, including interest on stock and bonds, as above stated, is		$1,548,185 04
Deduct.		
Bills and Accounts Receivable,	$287,076 42	
Materials on hand,	89,757 59	
Coal, "	128,641 07	
Cash, "	41,471 27	
Balance due on Stock,	1,377 50	
		548.323 85
Balance of Floating Debt,		$999,861 19

The policy heretofore adopted by the Managers, of making all their payments for work monthly, in cash, has been continued, and a large portion of the materials required, has been paid for in the same way,—a policy tending alike to preserve order in their current expenses, and to secure the usual advantages of prompt cash payments. The high credit of the Company has continued unimpaired; insomuch that, notwithstanding the past year, like the preceding, was for the most part one of much financial embarrassment generally, they have been able to effect all needful loans, at an average rate not exceeding seven per cent

Of the whole amount of $1,500,000 of "Eastern Extension" Bonds, authorized to be issued, $900,000 were offered *pro rata* to the Stockholders, according to their vote at the annual meeting, in January, 1855, and mostly taken by them. The proceeds of these bonds sufficed for our wants till about the middle of June last, at which time it was resolved to offer for sale the remaining $600,000 at public auction. This was accordingly done, and the bonds were taken at prices averaging about 92½ per cent.

The discount on the entire issue, as above, amounted in the aggregate to $225,128 75, which has been reckoned to the cost of constructing the Southern Division.

It was thought that the proceeds of the above bonds, with such temporary loans as would be readily procurable, would be sufficient for all the wants of the Company, until the entire Road should be opened for business. It was also hoped that the capital stock would be available to meet the floating debt that might then exist, and to complete the Road; but if from any cause this result should not be realized, resort might then be had to a new issue of bonds for that purpose. In consequence, however, of the delay in opening the Southern Division, and of some increase of expense incurred in the work, the amount of the temporary loans aforesaid, has been larger than was expected. To meet then the wants of the Company, application has been made for the requisite legislative authority to execute a second mortgage on the Road for $2,600,000, to secure a new issue of bonds of that amount; making with the previous issues an aggregate of $5,000,000. Meanwhile, in anticipation of such authority, and for immediate use, the Board have resolved to issue $1,200,000 of the $2,600,000 in the shape of seven per cent. Convertible Income Bonds, having twenty years to run; designing the latter to be exchanged for the Second Mortgage Bonds as soon as these shall be made ready.

By a circular of the Treasurer, dated December 29th, these Income Bonds were offered to the Stockholders, *pro rata*, according to the amount of stock held by them on the 1st of January. In consequence of the stringency of the money market, this offer was made at a low rate, and the time within which acceptance was to be signified, was limited to the 10th of the same month. Only a portion of the amount having been taken, the offer, by vote of the Stockholders, at their annual meeting, was again opened for one day, and an additional amount subscribed for. The condi-

tion of the money market subsequently becoming more favorable, the Board resolved to advance the price of the remaining bonds.

No good reasons exist for anticipating any difficulty in procuring the legal authority for making the second mortgage, as aforesaid. Should such difficulty, however, or any considerable delay be experienced, in that respect, the Board are confident, from the high credit ever enjoyed by the Company, that no serious embarrassment or loss will result, but may postpone the time of completing the second track of their Road.

The net profits of the transportation and coal business on the Northern and Cayuga Divisions the past year, having, as heretofore, been sufficient to pay the interest on the bonds and stock of the Company, issued for the construction of the entire line, the Board have accordingly declared the usual semi-annual interest dividend of three per cent. on the capital stock for the past six months, payable, with interest thereon from the 10th of January, 1856, at such date as shall hereafter be determined. These profits having been used in the construction of the Southern Division, the payment has been postponed for a time, until the amount may be replaced from the sales of bonds or otherwise, without sacrifice or serious inconvenience.

In their last annual report, the Board explained at some length the measures which they had taken to secure a sufficient amount of business for the Road upon its opening; also the policy which they had adopted, to furnish facilities to the public for the transportation of coal, and the prices fixed for the same. This policy, which was regarded as a very liberal one, it is thought may not be entirely understood by all interested, and for the purpose of showing it more definitely, the following resolution is inserted, which was adopted May 6, 1854, viz. :—

Resolved, "That this Company reserve one-third of the full capacity of the Southern Division of the Rail-Road, for the transportation of its own coal to tide-water; and that it is expedient to make immediate contracts

with other responsible parties, for the conveyance of their coal in their own cars, to the estimated extent of the remaining two-thirds of its capacity."

The resolution contemplated that the shippers of coal should provide their own cars for its transportation, inasmuch as experience on other Roads had shown it to be difficult to furnish, especially in the seasons of most active business, a sufficient number of cars for the accommodation of all. For the convenience, however, of those whose business was too limited to warrant the expense of providing cars for themselves, it was offered by the Board to purchase their coal, delivered in the cars of the Company at Scranton or its vicinity. Of the two proposals thus made to the public, it has been found, thus far, that coal operators have generally preferred the latter—choosing rather the certainty of sales to us, at sufficiently remunerative prices, than the fluctuating markets at the sea-board; while, at the same time, they avoided the heavy expenditures required for cars, &c. Contracts have therefore been entered into with various parties for coal, deliverable through a series of years, to an amount in the aggregate of more than four millions of tons.

During the year, frequent proposals for contracts have also been made to us by parties engaged to a greater or less extent in coal operations in the vicinity of Scranton, which proposals have, as above stated, been promptly entertained, whenever sufficient evidence was furnished of the responsibility and good faith of the parties making them.

In consequence of the near approach of the opening of the Southern Division, and of the interest extensively awakened on that account, there has been excited, as was natural, much speculation in the purchase of coal lands. Numerous Companies have been formed, with large nominal capitals; some of whom, doubtless, have no expectation of engaging in actual mining. It has been made necessary, therefore, for the Board to exercise great discrimination in the negotiation of contracts, to guard against future disappointments,

resulting from any which should prove unreliable. No just complaints, it is obvious, can be made against the Company for so doing.

In respect to the prices of coal hereafter, although it is supposed by some, that the great amount which will be brought to market, in consequence of the increased facilities for transportation, will be attended with a necessary decrease of its value, still the Managers incline to the opinion that the legitimate effect is to be looked for rather in the greater extent to which coal will be used, and a corresponding increased demand for it. It is not improbable, indeed, that the more immediate result may be a diminution of prices; but this very diminution itself must tend in its turn to promote a greater consumption, and ultimately to more than restore the previous equilibrium between the supply and demand. Such seem to be the laws which, as developed through long experience, regulate the relative prices of other prime articles of consumption. The Board can see no reason why the same principle should not hold good in the present case, and they entertain no apprehensions, therefore, that there will be any failure of a demand in market, at remunerative prices, for all the coal which they may be able to furnish.

From the foregoing views, the Managers would observe, that they cannot but regard the prospects of the Company as highly encouraging. It is believed that they can introduce Coal into the city of New-York, and other Eastern markets, at a less cost than can be done from any other source. Their supply is inexhaustible. Their Road is built in the most substantial manner; its track is of the *broad gauge*, and its capacity, when completed, will enable them to deliver annually, both eastward and westward, more than one and a half millions of tons. The means of the Company, it is hoped, will be ample. They see not how it can fail, therefore, under the favor of Providence, to be a source of satisfactory remu-

neration to the Stockholders for their large investments, and of honor and wealth to the noble State, by whose liberal and wise legislation they have been enabled to undertake and successfully prosecute so great an enterprise.

Before closing, the Managers deem it proper to advert to the death, in June last, of H. W. Nicholson, Esq., who was from an early period their principal legal Counsel and Land Agent, and to whose ability, industry, and zeal in the service of the Company, they have been much indebted.

The following is a copy of the Resolutions adopted by the Board, 29th June, in relation to the event referred to:—

"It having pleased Almighty God, in his wise providence, to remove by "death, Horatio W. Nicholson, Esq., for many years intimately connect- "ed with this Company, as its Counsel and Attorney; and it being the "desire of the Board to place upon its records their high appreciation of "his character, ability and faithfulness, therefore,

"*Resolved*, That the members of the Board have heard with deep sor- "row the intelligence of the death of Mr. Nicholson, and that his valua- "ble services entitle his name to be held in grateful remembrance by this "Company; while his high moral character, his unquestioned integrity, "and his professional ability, are acknowledged by the entire community "in which he resided.

"*Resolved*, That the Board deeply sympathize with the family of the "deceased in their bereavement, and that a copy of these resolutions "be forwarded to Mrs. Nicholson, certified by the Secretary.

"*Resolved*, That the salary of Mr. Nicholson be continued and paid to "first of October next."

The vacancy thus occasioned has been supplied by the appointment of John Brisbin, Esq., formerly of Wyoming County, who has accordingly removed to Scranton, and will devote his attention to the duties of the office. His report for the last year is appended in its proper place.

Respectfully submitted,

GEORGE D. PHELPS, *President.*

MANAGERS.

DRAKE MILLS,	MOSES TAYLOR,
JOHN J. PHELPS,	HENRY YOUNG,
WILLIAM E. DODGE,	SAMUEL WILLETS,
GEORGE BULKLEY,	WILLIAM E. WARREN,
JOHN I. BLAIR,	THOMAS McELRATH,
GEORGE W. SCRANTON,	SAMUEL L. MITCHILL,
ROSWELL SPRAGUE,	RUFUS R. GRAVES.

REPORT OF AUDITING COMMITTEE.

GEO. D. PHELPS, ESQ., *President.*

DEAR SIR:—The undersigned Stockholders of The Delaware, Lackawanna and Western Rail-Road Company, appointed as a Committee by the Board of Managers, to examine the accounts of the Treasurer of said Company, for and during the year 1855, respectfully report:—That they have attended to the duties of such appointment, and have personally examined the Books, Accounts and Vouchers kept at the General Office of the Company, by said Treasurer, or under his immediate direction, and have much pleasure in certifying that they find such accounts kept in a very systematic manner; and that vouchers, in due and proper form, for all disbursements made, and obligations issued, during the year, according to the books, are on file in the office; also, that the vouchers are so classified and arranged as to be readily referred to at any time.

The amount of Cash on hand, January 1st, 1855, as appears by the books, was,	$13,593 33	
The amount received during the year, from all sources, was,	4,300,428 16	
		$4,314,021 49
The whole amount of disbursements during the year, as per vouchers, was,		$4,272,550 22
Leaving a balance on hand, December 31st, 1855,		$41,471 27
On Deposit, as follows:—		
In Mercantile Bank, New-York,	$1,224 36	
" Phenix " "	31,186 07	
" Metropolitan " "	1,977 76	
Bills and change in drawer, as counted and certified by Mr. A. S. Peet, General Book-keeper,	7,083 08	
		$41,471 27

THOS. W. GALE,
THEO. STURGES. } *Auditing Committee.*

NEW-YORK, *March 4th*, 1856.

THE DELAWARE, LACKAWANNA AND WESTERN RAIL-ROAD COMPANY.

BALANCE-SHEET, DECEMBER 31, 1855.

PAGE.					
10.	To CONSTRUCTION,				
	Amount to December 31, 1854, as per last Annual Report, page 28,	$4,140,315 77			
	Expend's in 1855, as stated on page 12,	1,882,351 20			
				$6,022,666 97	
19.	" COAL DEPARTMENT—CONSTRUCTION.				
	Amount to Dec. 31, 1854,	$244,622 07			
	Expenditures in 1855, (see page 16),	87,891 20			
				332,513 27	
4.	" CASH.—Amount on hand,			41,471 27	
	" MATERIALS ON HAND,				
63.	Wood Account,	$6,559 97			
126.	Machine Shop, (Scranton,)	72,166 20			
133.	Materials purchased,	702 45			
141.	Oil Account,	2,776 34			
208.	Ithaca Shop,	4,465 32			
212.	Fuel Account,	2,597 91			
216.	Lumber and Timber Account,	498 40			
				$9,737 59	
150.	" COAL ACCOUNT, 1856,				
	36,932 19-20 tons of coal on hand,			128,641 07	
33.	" BILLS RECEIVABLE,				
	Total, due at various dates,			112,108 22	
	" ACCOUNTS RECEIVABLE,				
78.	George W. Scranton, General Agent,	3,650 24			
90.	J. J. Albright, General Coal Agent,	8,662 00			
110.	Horatio W. Nicholson,	519 68			
111.	Lackawanna Iron and Coal Company,	1,698 01			
119.	Cayuga and Susquehanna R. R. Company,	2,984 90			
161.	Warren R. R. Company,	39,698 25			
171.	Lackawanna and Bloomsburg R. R. Co.,	2,640 81			
200.	R. A. Henry, General Freight Agent,	3,524 61			
240.	U. S. Post Office Department,	1,881 81			
503.	Charles Scranton,	497 03			
588.	D. H. Dotterer,	300 00			
592.	John I. Blair,	750 00			
	Miscellaneous Accounts,	108,765 86			
				174,968 20	
403.	" REAL ESTATE IN NEW-YORK,			24,181 33	
405.	" STOCK OF THE WARREN R. R. CO.,			155,950 00	
407.	" STOCK OF THE LACK'A & BLOOMSB'G R. R. CO.,			125,000 00	
				$7,207,257 92	

PAGE.					
2.	By CAPITAL STOCK,				
	61,020 Shares paid in full,	$3,051,000 00			
	40 " on which has been paid,	622 50			
	61,060			$3,051,622 50	
401.	" MORTGAGE BONDS OF 1871,			900,000 00	
401.	" EASTERN EXTENSION BONDS, of 1875,			1,500,000 00	
23.	" BILLS PAYABLE,				
	Total, due at various dates,			1,187,472 74	
	" ACCOUNTS PAYABLE,				
102.	Loan Account,	2,500 00			
103.	Notes Receivable Discounted,	58,167 01			
107.	N. Y. & Erie R. R. Co.,	910 88			
190.	T. D. Wilcox,	670 18			
405.	James Archbald,	241 64			
587.	James S. Cox,	18 75			
593.	John J. Phelps,	18 74			
594.	Mrs. Lucilla S. Silkman,	10,000 00			
594.	Nancy Tripp, due July 1, 1856,	5,000 00			
594.	Benjamin S. Tripp, due July 1, 1856,	833 12			
597.	Gregory & Roble,	24 75			
	" INTEREST ON MORTGAGE BONDS,				
507.	Payable January 1, 1856,	$31,500 00			
	" previous to " "	140 00			
		31,640 00			
	" INTEREST ON EASTERN EXTENSION BONDS,				
506.	Payable Oct. 1, 1855,	$1,376 71			
597.	Accrued for 3 months afterwards,	26,250 00			
		27,626 71			
	" INTEREST ON STOCK,				
228.	For 6 months ending Dec. 31, 1855,	$90,817 75			
	Balance due previously,	5,796 73			
		96,614 48			
				234,260 71	
	" MISCELLANEOUS ACCOUNTS,			126,451 59	
596.	" ACCOUNT OF PERSONAL PROPERTY RECEIVED FROM C. & S. R. R. CO.,			92,988 43	
501.	" COAL DEPARTMENT FUND,			28,976 53	
502.	" RENEWAL FUND,			61,893 21	
124.	" INCOME ACCOUNT, per Exhibit "A",			28,642 21	
				$7,207,257 92	

(E. E.) WM. E. WARREN, *Treasurer.*

EXHIBIT "A."

INCOME ACCOUNT 1855.

CREDIT.

By Balance as per last Annual Report, page 29. - - -			$105,881 15
" Net Revenue in 1855, viz.:			
From Transportation, per Exhibit "B," - -		$259,268 34	
" Coal, per Exhibit "C," - - - - - -		167,105 13	
" Machine Shop, - - - - - - -		7,815 51	434,188 98
			$539,565 13

DEBIT.

To Interest on ($900,000) Bonds,		$63,000 00	
" " on ($1,500,000) " to 1st Oct., 1855,	$48,625 16		
" " on " " for 3 mos., to 31st Dec., 1855,	26,250 00	69,875 16	
" " on Stock, 6 mos., to 30th June, 1855,	$89,905 80		
" " on " 6 mos., to 31st Dec., "	90,817 75	180,723 05	
" " on Floating Debt, being balance of the general Interest Account for the year,		41,124 60	
" George W. Scranton, late General Agent, for Oil purchased of W. S. Brown, in 1852,		330 37	
" Rent of Cayuga and Susquehanna Rail-Road,		70,000 00	
" Renewal Fund, amount appropriated,		61,893 21	
" Coal Department Fund, amount appropriated,		28,976 58	515,922 92
Balance,—applicable to Construction purposes,			$23,642 21

EXHIBIT "B."

TRANSPORTATION, 1855.

To Transportation Expenses; cost of operating, repairs of road, repairs of machinery, superintendence, etc.,	$269,243 46	By Passenger Earnings,	$64,586 81
" New-York and Erie Rail-Road Co., transfer of old disputed balance,	404 44	" Freight "	423,626 03
" Income Account,—apparent profits for the year.	259,268 34	" Transp'n of Mail,	3,688 25
		" Use of Locomotives,	21,115 16
		" " Coal Cars,	6,262 22
		" Storage,	18 67
		" Rents,	716 00
		" Amount of Drawback from N. Y. & Erie R. R. Co.,	8,898 60
	$528,911 24		$528,911 24

EXHIBIT "C."

COAL ACCOUNT, 1855.

To Value of Coal on hand Dec. 31st, 1854, 8,631¼ tons.	$24,172 05	By Coal Sales, viz.:	
" Coal Department Expenses, including mining, transportation, coal purchased, superintendence, agents and clerks, use of coal cars on connecting roads, taxes, repairs, etc.,	547,369 77	January, ...	$19,462 72
		February, ...	21,356 91
		March, ...	15,345 23
		April, ...	17,291 80
		May, ...	81,757 32
		June, ...	89,889 81
		July	64,557 89
" Sundry Deductions,	1,550 12	August, ...	69,997 35
		September, ...	69,758 12
" Income Account,—apparent profits for the year.	167,105 18	October, ...	62,705 27
		November, ...	61,304 37
		December, ...	85,629 24
			$608,990 96
		By Rents,	8,800 04
		" Coal on hand December 31st, 1855, 36,933 tons, valued at	127,906 07
	$740,197 07		$740,197 07

COAL TONNAGE ACCOUNT, 1855.

1855.	*Mined.*	*Purchased.*	*Total.*	*Grand Total.*	1855.	
Jan. 1st, To amount on hand, this date.....				8,631 15	By Sales of Coal, viz.:	
January,...	9,683 11	3,493 07	13,176 18		January,....4,167 09	
February,..	7,759 12	2,630 04	10,389 16		February,....4,793 11	
March.....	4,564 13	5,622 18	10,187 11		March,.....3,488 14	
April,.....	12,505 04	4,988 08	17,493 12		April,.....3,851	
May,.....	12,773 14	7,341 03	20,114 17		May,.....22,182 02	
June,.....	9,091 17	8,870 18	17,962 15		June.....24,808 11	
July,.....	8,724 02	6,732 05	15,456 07		July,.....18,291 02	
August,....	9,341 13	5,952 17	15,294 10		August,.....18,901 02	
September.	9,337 09	5,358 01	14,695 10		September,..18,665 10	
October,....	7,900 18	4,949 06	12,850 04		October,....16,896 15	
November,.	11,275 04	7,006 17	18,282 01		November,..15,919 12	
December,.	14,409 01	8,552 07	22,961 08		December,...9,249 07	
				188,865 09		160,714 15
	117,366 18	71,493 11	188,865 09			
					By Stock on hand, December 31, 1855.	
Coal received from Cayuga and Susquehanna Rail-Road Co., ...				150 10	At Ithaca,..86 378 15	
					" Great Be..! 88 15	
					" Scranton,. 520 09	36,932 19
			Tons,.....	197,647 14	Tons,....	197,647 14

THE DELAWARE, LACKAWANNA AND WESTERN RAIL-ROAD COMPANY.

Summary of Liabilities and Assets at the Several Dates Stated.

LIABILITIES.	Decemb'r 31, 1852.	December 31, 1853.	December 31, 1854.	December 31, 1855.
Capital Stock,	$1,429,350 00	$1,956,507 50	$2,865,175 24	$3,051,000 00
Funded Debt,	900,000 00	900,000 00	900,000 00	2,400,000 00
Bills Payable,	381,223 96	110,084 10	683,618 87	1,187,472 74
Accounts Payable,	39,371 80	114,768 11	172,202 26	206,892 04
Interest on Bonds,	31,640 00	31,500 00	31,745 00	59,266 71
Interest on Stock,		70,247 06	81,154 27	96,614 48
Renewal Fund,				61,898 21
Coal Department Fund,				28,976 58
Balance to the Credit of Income Account,	$2,782,085 82	$3,185,051 74	$4,733,890 66	$7,183,615 71
		32,896 66	105,381 15	23,642 21
	$2,782,085 82	$3,217,948 40	$4,839,271 81	$7,207,257 92
ASSETS.				
Construction, (R. R. and equipment,)	$2,388,087 68	$2,787,889 45	$4,140,315 77	$6,022,666 97
Coal Department—Construction,	121,998 34	145,422 01	244,622 07	882,513 27
Materials on hand at Shops,	45,365 46	39,691 69	60,927 11	76,681 52
Wood on hand,	15,180 45	11,444 42	3,990 09	9,148 88
Coal on hand,	36,553 99	9,117 15	24,172 05	128,641 07
Bills Receivable,	192,646 40	126,756 38	88,447 06	112,108 22
Accounts Receivable,	20,967 54	57,641 96	131,822 57	178,945 39
Cash on hand,	10,891 01	90,085 38	18,593 33	41,471 27
Capital Stock of other Companies,			131,381 76	280,950 00
Real Estate in New-York,				24,181 33
	$2,782,085 82	$3,217,948 40	$4,839,271 81	$7,207,257 92

GENERAL AGENT'S REPORT.

THE DELAWARE, LACKAWANNA AND WESTERN R. R. COMPANY.

OFFICE OF GENERAL AGENT,
Scranton, Jan. 21st, 1856.

GEORGE D. PHELPS, Esq., *President.*

DEAR SIR:—The officers having more immediate charge of the several Departments having made detailed Reports of the business thereof, I propose to confine myself chiefly to those general statements which will give a synopsis of the whole; adding such suggestions as seem expedient.

COAL DEPARTMENT.

From the report of J. J. Albright, Esq., General Coal Agent, it appears that the entire quantity sent to market over our Road, during the year, was 188,865 tons; being an increase over that of the previous year of 54,900 tons, or 41 per cent.

It must be gratifying to the Stockholders and other friends to know that the Coal sent to market, the past year, has given very general satisfaction to both dealers and consumers. I may state further, that the quality of the Coal in the several new openings, with the increase of facilities for reducing it to the most approved sizes, and for screening it, will justify us in promising that it will be still further improved during the coming year, and compare favorably with any that is sent to market.

The amount of sales that may be effected by us at the North and West, in 1856, exclusive of any supplies from other sources, will, it is estimated, reach 200,000 tons. In addition to this, we can furnish to the Eastern market, if required, 365,000 tons, besides the amount forwarded by our Road on account of the Lackawanna Rail-Road and Coal Company. It will thus be seen that a large transportation business will be provided for the Road immediately upon the opening of its Southern Division.

For the enlargement of our mining operations, we have now in course of completion, one slope, and one single, and one double shaft. The slope is already in partial use. The single shaft may be made ready for use by the 1st of July next, and the double shaft by 1857. When all complete, and in full operation, these several openings will yield 1,250 tons per day, or 375,000 tons per annum. This will be in addition to our present supply.

The completion of the slope and shafts aforesaid is the only new work autho-

rized, and in progress at the mines. I consider it important to finish them all during the present year. This will require an expenditure of seventy-nine thousand dollars, viz.:—

Finishing slope,	$5,000
Single shaft,	14,000
Double shaft,	60,000
Total,	$79,000

This amount will include pumps, hoisting machinery, breakers and screens, all complete.

The estimated supply of coal from all sources, for transportation in this and the next year, is as follows:—

MINES.	1856.	1857.
Diamond Mines,	Tons, 160,000	Tons, 180,000
New Double Shaft,		90,000
Bellevue Mines,	55,000	100,000
Judson Clark's Mines,	60,000	100,000
Winton & Co.,	60,000	100,000
Sawyer & Co,	60,000	100,000
Lewis & Howell,	40,000	60,000
Coursen & Co.,	20,000	60,000
Lackawanna and Bloomsburg Rail-Road,	50,000	100,000
Lackawanna Rail-Road and Coal Co.,	75,000	150,000
Lackawanna Iron and Coal Co.,	25,000	50,000
Totals,	605,000	1,090,000

TRANSPORTATION DEPARTMENT.

CAYUGA DIVISION.—W. R. Humphrey, Esq., Superintendent of this Division, has given in his Report a detailed and comprehensive statement of its general condition and business during the year, all of which is interesting, and will, I trust, be found satisfactory. It is only necessary for me to add an estimate of the expenditures which will be required upon this Division in 1856:—

Removal of 778 feet, lineal measure, of Truss Bridges, under contract, $1,650	$12,837
Ballasting 5 miles with gravel or slate, 1 foot deep, and 9 feet wide, 8,800 yards, 40c.,	4,400
15,000 Cross Ties laid, 40c.,	6,000
1,200 Chairs laid, 60c.,	720
75 tons of Rails, $60,	4 500
5,000 lbs. Spikes, 4½c.,	2,250
Renewal of Turn-Table,	800
Finishing of Coal Depot and Schutes,	1,300
Other matters, not enumerated,	2,500
	$35,307

NORTHERN DIVISION.—This Division extends from Scranton to Great Bend, and is considered as including, for transportation purposes, that portion of the New-York and Erie Rail-Road which lies between Great Bend and Owego. From the Report of D. H. Dotterer, Esq., Division Superintendent, it will be

seen that this Division is in better condition than at any former period. Its business, both as respects Passengers and Freight, has increased, while the cost of operating the Road has diminished.

Mr. Dotterer promises a further reduction, if he can have a more regular Coal business. This we must endeavor to furnish by a more uniform delivery from the mines, and prompt return of empty cars. The latter can be effected without difficulty, from Binghamton and Ithaca; but experience has shown, that when sent upon other Roads, our cars do not return as they might and should do. As the business becomes better understood, or of more importance to those Roads, it will receive more attention; but till then, I do not see any remedy.

There were consumed in our engines, during the year, 9,152 cords of wood, and 1,708 tons of coal; costing $24,704. We have now contracts for the delivery of 10,900 cords of wood in 1856, and 16,500 in 1857.

I would remark here that the experiment of burning Anthracite Coal in Locomotive Engines proves entirely successful, and will doubtless soon come into general use, for Freight Engines, upon many of the Rail-Roads. This fact has very important bearings upon the Coal trade, since it must increase the demand to a very great extent.

Mr. Dotterer reports the Rolling Stock to be in good condition. The cost of running the engines has been 6 56-100 cents per mile; last year it was 7 72-100 cents.

Some improvements have been made in the construction of our four-wheeled cars—reducing their weight without diminishing their strength. The cost of these cars is $200 each. The eight-wheeled side dumper car is now a favorite one on other Roads, where no proper fixtures are provided for discharging. This car carries from 10 to 12 tons, and costs $500. We have another eight-wheeled car that also carries from 10 to 12 tons, and discharges at the bottom. It is a very good car for the New-York and Erie Rail-Road. It costs $425.

There seems to be a very general preference among Rail-Road men in favor of the eight-wheeled car, although the experience of the Reading Rail-Road favors the four-wheeled car.

The Road-bed is reported as greatly improved during the year. Three and a-half miles have been relaid with heavy bevel-headed rails, and well ballasted. This renewal is to be extended to the Summit, a further distance of 3½ miles, and will require an expenditure of..... $35,000

There will also be wanted, for other portions of the Road, some 20,000 cross-ties, to replace those worn out; cost in the track 40c.,	8,000
Also, eight miles of new fencing; cost,.....	2,500
Station Houses are required at Montrose, Hopbottom and Factoryville, costing in all,.....	2,500
Completing embankments at Fuller's, Humphrey's, Leach's, and South Branch—150,000 yards, at 20c.....	30,000
Total,.....	$78,000

SOUTHERN DIVISION.—At the last annual meeting it was generally understood and believed that this Division would be ready for business during the ensuing fall of 1855. The winter and spring, however, proved very severe, with frequent and deep snows, which rendered it almost impossible to do work, except at great disadvantage. The price of labor and provender of all kinds became much higher than formerly, which causes, combined, so discouraged the contractors, and delayed the work, that when the season opened it was really but little in advance of what it was the fall before. Contractors were very much disheartened, and many refused to go on without such advance in prices as seemed entirely extravagant—all asserting that they were large losers, and could not afford to lose any more.

In this state of things, the Executive Committee, after consulting with the Chief Engineer and General Agent, came to the conclusion that the work could not be re-let without a sacrifice of both time and money. They, therefore, determined to advance prices on contracts to a reasonable extent, when such advance would secure the progress of the work, and take back into the hands of the Company some portions that were much behind, to finish by the day.

For a time, this arrangement seemed to have provided for all the difficulties. But it was not long before new complaints of loss were made, coupled, in some cases, with threats, that unless *all losses* were made good, the possession of the Road would be retained, even with force of arms, if this became necessary. Such threats were regarded at first as without serious intent, but in a number of cases they have been carried out to the letter. Contractors, with large means and influence, as well as sub-Contractors under them, have armed their men, entered into agreements to sustain each other, built Block Houses across the track, and armed them for defence. They prevailed also upon the civil authorities and citizens to join them in resisting the Company; so that it became a serious matter to deal with, and one that caused much delay and loss to all parties.

In most of these cases the Company made settlements upon terms that may be thought to be too much of a sacrifice, for the sake of peace. But I believe that in no case have they paid as much as would have been necessary to carry out the work, had force been altogether adopted to obtain our rights.

The most serious cause of delay, however, in getting the track laid, was the unfinished state of some of the contracts. It seemed impossible to induce those having the work to do to make sufficient exertion to complete it in time; so that our track layers had all sorts of works to do—having, in many cases, to cut through both rock and earth, make embankments, &c., &c., besides having to ballast nearly one-half of the whole line; so that, although the superstructure is now laid to the Delaware River, still much is yet to be done before it is in good running order. I would add that the material along the whole line has proved much more difficult and expensive to remove than was anticipated.

I cannot close these remarks upon the Southern portion of our Road, without urging the great importance—I may almost say indispensableness—of an early completion of certain portions of the second track:—1st, from Scranton to Green-

ville, six miles; 2d, to the Lehigh Summit, thirteen miles further; 3d, from the Pocono Summit to Analomink, fourteen miles.

It will be economy to construct the second track upon these portions of the Road, in the order that they are mentioned; as in this way we shall be increasing its capacity at the least possible expense.

It is becoming every day more evident that in a very short time after we shall have opened our Road to tide-water, it will have more business than can possibly be done upon a single track; and as it will, no doubt, afford remunerating prices, there is every motive to induce all possible exertion to keep pace with this demand.

ELIZABETH PORT.—At this point we have in progress (under contract) three Piers, with intermediate Basins, at each of which four vessels can be loading at one time. This will be ample provision for the business of the present year. One of the Piers will be finished by the time it will be wanted, and the others are in such progress that I do not think we will meet with delay at this point.

The cost of this work, exclusive of the rails, chairs and spikes, will be about $38,000, upon which there has been paid $14,000.

The Company's property, at this point, is well adapted, in many respects, for an economical prosecution of its business—having room enough for four more Piers and Basins, besides sufficient ground for piling coal, and for houses for their workmen.

On the whole, I consider this location for the terminus of our Road as the best that could be found, and fully equal, if not superior, to any in use. The harbor is safe, also, for vessels in all kinds of weather; but we shall, no doubt, find it necessary to have a line of barges ready to deliver our coal at any point within certain limits where it may be wanted. Such an arrangement prevents delay when vessels are scarce, and saves the expense of piling.

All which is respectfully submitted,

JAMES ARCHBALD,

General Agent.

NOTE.—There are contracts for 23,000 cords of wood for Southern Division, to be delivered during the next two years, viz.: 1856 and 1857.

CHIEF ENGINEER'S REPORT.

THE DELAWARE, LACKAWANNA AND WESTERN RAIL-ROAD CO.

OFFICE,—ENGINEER DEPARTMENT,
Scranton, Pa., January 24th, 1856.

GEO. D. PHELPS, Esq., *President.*

SIR:—The construction of the Southern Division of your Road, which has so long claimed attention, was so far finished as to allow its opening for the transportation of passengers and way freight on the 21st inst. Assurances have been given that the Warren Rail-Road will be opened in March; hence it may be safely assumed that the regular transportation business of your Road may commence in April.

Among the causes which have conspired to delay the completion of your Road beyond the time named in the Second Annual Report, I am obliged to say the effective one was, the armed resistance offered, under various specious pretexts, by several of the contractors for grading, to laying the superstructure by and under the direction of the Company; the most plausible of which they believe to be, because most frequently urged, that, as their work was not finished within the time specified in their agreements, their contracts no longer ruled the prices for doing the work, and, in consequence, legalized claims for extra compensation, and invested them with the formidable rights of *squatter sovereignty.*

The pacific course taken by the Company, in respecting such assumed rights, resulted in a delay of four months and twenty-one days, previous to the 11th of December; when, to avoid further loss of time, after exhausting all peaceful means for obtaining possession of the work, the alternative of *taking* possession was resorted to, when all resistance degenerated to words.

NORTHERN DIVISION.

The mechanical work in progress during the past season, is finished, and there are now required 200,000 cubic yards of embankment to finish and give security to this Division of the road.

SOUTHERN DIVISION.

The annexed tabular statements exhibit the final estimates of graduation, masonry, bridging, &c.; from which will appear the aggregate of advances made to contractors during the prosecution of the work.

These large advances have been necessary from causes alluded to in my last report, and from those general causes, which, during the past three years, have operated to inflate the prices of every description of labor and property.

While it is true that your Road is an expensive one, it is, relatively the cheapest connection which can be had with the Lackawanna and Wyoming coal-fields, as has been clearly demonstrated by surveys of two distinct parallel lines of much less capacity, made subsequent to the final location of your Road. I mean, of course, the Delaware, Lehigh and Wyoming R. R. and the Lehigh and Susquehanna Divisions of the North Pennsylvania Rail-Road.

Allusion was made to the former in my first report, and a careful comparison of cost made; of the latter it may be remarked, what is obvious from a single *coup-d'œil*, that the two parallel transverse ridges, familiarly known as first and second mountain, will forever dispute the progress of rail-road improvements in that direction. This truth, then, is manifestly deducible: As compared with any parallel roads which have been or may be projected, the cost of your Road will be less and its capacity to earn, greater.

The policy pursued has been to construct a first-class road, and no departure has been made from this purpose. The mechanical work—masonry and bridge superstructure—deserves notice.

MASONRY.—We have been more fortunate in procuring valuable building materials than was at first anticipated, and the finished structures reflect much credit upon the builders and those in immediate charge of the work.

BRIDGING.—The Truss Bridges are built upon the general plan of Mr. J. Best, which was adopted for the Northern Division. In this connection it may be said, that though these bridges, four in number, have for more than four years been subjected to the severest tests, no repairs of the trusses have been necessary; and it is believed that in the arrangement of details and perfection of workmanship, they are inferior to none.

CONNECTIONS.

LACKAWANNA R. R.—This road is now open, and much of the rolling stock is upon the track. Two shafts are finished, and mining operations have already been commenced.

LACKAWANNA AND BLOOMSBURG R. R.—The graduation, masonry and bridging of this road are three-fourths finished; while the N. Division, extending from Scranton to Nanticoke Dam, 25 miles, is nearly ready for the rails—three miles of which, from Scranton to the mines of the Union Iron and Coal Co., at Taylorville, are laid. The completion of the Southern Division, from Nanticoke to Rupert, 32 miles, requires but an outlay of $100,000 in addition to that already expended, for which, I believe, provision has been made.

While it is gratifying to know that the immediate connections with this Road, which constitute a part of the same system of improvements for the full development of the Lackawanna and Wyoming coal-fields, are nearly finished, it may be interesting—pecuniarily, at least—to know the progress of those western roads, which, in connection with your own and the Lackawanna and Bloomsburg R. R., are to be known to New-York as the Western Route, and to know its character as compared with existing ones. These are:—

Lackawanna and Bloomsburg,	(Scranton to Rupert.)
Sunbury and Erie,	(Williamsport to Ridgway.)
Venango,	(Ridgway to State Line.)
Atlantic and Great Western,	(State Line to Crestline and Dayton.)

The above roads, or such portions of them as together perfect this line, are under contract, and large expenditures have already been made upon them respectively.

COMPARISON OF ROUTES.

CINCINNATI TO NEW-YORK.	Miles.	CHICAGO TO NEW-YORK.	Miles.
Cincinnati to Dayton,	60	Chicago to Crestline,	277
Dayton to State Line,	237	Crestline to State Line,	136
State Line to New-York, via D., L. & W. R. R.	488	State Line to New-York, via D., L. & W. R. R,	488
	785		901
Cincinnati to N. Y., via N. Y. and Erie R. R.	857	Chicago to N. Y., via N. Y. and Erie R. R.	961
Difference,	72	Difference,	60

Upwards of three millions of dollars have been expended during the past two years, by various private operators, in the purchase of coal lands in this valley, and preparations for mining on a gigantic scale have been undertaken, with all the ardor which capital, energy and a prospect of gain can inspire.

These openings, together with the older ones upon the lines of connecting roads, and the other legitimate business of your Road, guarantee a larger tonnage for your first year's business than has ever been realized by any road hitherto

opened; and the only serious question for years to come, will be to determine in what manner to accommodate, most economically, a business demanding annually largely increased facilities and capacity.

In conclusion, I should acknowledge indebtedness to J. Amsden and J. A. Evans, Esqs., Resident Engineers, and to members of their corps, for the highly creditable manner in which they have performed their respective duties, so clearly evidenced by the more enduring testimony of the work itself.

Respectfully submitted,

E. McNEILL, *Engineer.*

VALUE OF WORK AT CONTRACT PRICES.

GRADUATION.

Contractors.	Earth.	L. Rock.	S. Rock.	Ballast.	Clearing	Tunnel'g.	In. W'k	Total value
	Cub. yds	Cub. yds	Cub. yds.		Miles.	Cub. yds		$ cts.
Michael Malone & Co	405,334.9	12,886.4	115,226.1	.....	13.4	14,062.23	.....	196,281 90
Thompson Peckens & Co	43,648.0	.....	13,168.8	.....	1.01	.....	.....	20,681 81
N. G. Howe	30,113.8	.....	254.0	.....	1.15	.....	.....	6,788 26
J. L. Traviss & Co	196,773.0	1,589.0	8,852.5	.....	2.9	.....	.....	57,387 55
Bloom & Carmichael	160,293.6	255.1	17,860.2	.....	3.1	.....	.....	55,101 04
Connolly & Walsh	125,526.0	.....	13,420.2	.....	4.5	.....	.....	42,800 64
William Cleary	81,902.8	389.0	17,840.0	.....	4.25	.....	.....	35,518 25
H. S. Welles & Co	298,804.0	.....	27,909.0	.....	7.4	.....	.....	122,384 48
H. S. Welles & Co	774,080.8	.....	256,508.7	.....	14.187	9,426.6	.....	880,988 86
Mott & Hammersly	152,985.9	8,785.1	41,890.9	.....	5.873	.....	.....	58,576 67
Noyes, Clark & Co	315,139.8	5,731.1	83,752.0	.....	11.187	.....	.....	118,087 99
John Best	.....	.....	.....	.....	.....	.....	.....	8,069 88
Wright Keeney & Co.	.....	.....	.....	.....	.....	.....	.....	2,011 85
	2,584,602.6	29,585.7	598,176.9	.....	69.057	23,520.83	.....	1,099,627 68
W'k done by R.R. Co	114,808.0	.....	27,706.0	15,565.0	.....	.....	.....	96,120 70
W'k rem'g to be done	175,670.0	.....	6,050.0	12,309.0	.....	.....	.....	71,060 00
Totals	2,875,080.6	29,585.7	631,932.9	27,874.0	69.057	23,520.83	.....	1,266,808 88

MASONRY.

Contractors.	Rect. Cul.	Arch Cul.	Rock Work.	2d Class Mort.	2d Class Dry.	S. Wall.	Pav'g.	Total value.
								$ cts.
Michael Malone & Co	503.70	148.9	4,983.85	1,432.35	12.00	8,972.40	1,152.70	52,859 82
Thompson Peckens & Co	222.30	.....	.....	.....	.....	.....	15 00	374 50
N. G. Howe	201.10	.....	.....	.....	198.10	.....	21.50	1,024 88
J. L. Traviss & Co	287.40	805.8	.....	.....	.....	70.00	148.00	5,054 85
Bloom & Carmichael	10.00	390.0	.....	.....	.....	.....	.....	1,586 00
Connolly & Walsh	.....	.....	234.80	.....	.....	.....	20.00	1,194 00
William Cleary	50.00	.....	.....	.....	.....	.....	.....	150 00
H. S. Welles & Co	371.43	.....	1,048.30	22.30	223.50	.....	34 89	9,613 25
H. S. Welles & Co	1,429.94	1,607.6	2,747.50	.....	.....	227.00	148.71	32,500 93
Mott & Hammersly	365.25	.....	904.15	758.20	672.39	492.30	43 26	13,333 46
Noyes, Clark & Co	766.04	.....	2,546.22	443.99	318.89	4,044.93	161.37	26,696 22
Totals	4,207.16	2 952.3	12.464.82	2,656.84	1,424.88	13,806.63	1,745.43	144,587 91
Work remaining to be done, - - - - Arching Tunnel,								5,382 00
								149,969 91

BRIDGING.

John Best ..... 1,759.5 Lin. Ft. Bridge, Superstructure, ... **77,194 91**

RECAPITULATION.

Graduation, (including work remaining to be done),	$1,266,808 38
Masonry,	149,969 91
Bridging,	77,194 15
Track-laying and distribution of Materials, (original estimates),	79.200 00
Total,	$1,573,172 44

VALUE OF WORK AT ADVANCED PRICES.

GRADUATION.

Contractors.	Earth.	L. Rock.	S. Rock.	Ballast.	Clearing	Tunnel'g.	In. W'k	Total value
								$ cts.
Michael Malone & Co	316,163.2	12,886.4	99,857.6	7,069.5	10.08	3,263.60	.....	181,456 87
Thompson Peckens & Co	43,648.0	.....	13,163.3	1,179.8	1.01	.....	.....	21,360 68
N. G. Howe	30,118.8	.....	254.0	1,778.0	1.15	.....	.....	8,035 83
John L. Traviss & Co	196,773.0	1,539.0	8,852.5	3,749.4	2.90	.....	.....	64,951 28
Bloom & Carmichael	160,293.6	255.1	17,360.2	3,034.3	3.20	.....	.....	65,926 43
Connolly & Walsh	46,183.0	.....	1,103.0	.....	2.25	.....	.....	13,960 06
William Cleary	34,723.8	217.0	3,506.0	.....	1.75	.....	.....	14,451 27
H. S. Welles & Co	1,072,884.8	.....	286,417.7	17,996.2	21.587	9,438.60	.....	593,186 85
Mott & Hammersly	151,520.9	8,785.1	41,890.9	7,564.6	5.873	.....	.....	82,382 37
Noyes, Clark & Co	315,139.8	5,731.1	83,752.0	12,359.8	11.187	.....	.....	177,808 65
Krum & Co	39,245.0	.....	7,375.0	986.4	1.11	.....	.....	14,555 47
M. & S. Cummins	23,971.0	.....	5,386.0	2,082.4	1.15	.....	.....	13,385 65
John L. Traviss	25,955.0	.....	455.7	373.1	1.06	.....	.....	8,820 98
M. L. Noyes	.....	.....	2,151.8	200.0	.....	10,818.63	.....	45,905 62
James Haggarty & Co	79,343.0	.....	12,317.2	993.0	2.25	.....	.....	38,194 07
G. V. Adams	47,179.0	172.0	14,334.0	.....	2.50	.....	.....	82,054 86
A. Coan	1,465.0	.....	.....	.....	.....	.....	.....	297 00
John Best	.....	.....	.....	.....	.....	.....	.....	8,069 88
Wright, Keeney & Co	.....	.....	.....	.....	.....	.....	.....	2,011 35
	2,584,602.6	29,585.7	598,176.9	59,366.5	69.057	23,520.83	.....	1,387,764 22
W'k done by R. R. Co	114,808.0	.....	27,706.0	15,565.0	.....	.....	.....	96,120 70
W'k rem'g to be done	175,670.0	.....	6,050.0	12,309.0	.....	.....	.....	71,060 00
Totals	2,875,080.6	29,585.7	631,932.9	87,240.5	69.057	23,520.83	.....	1,554,944 92

MASONRY.

Contractors.	Rect. Cul.	ArchCul	Rock Work.	2d Class Mort.	2d Class Dry.	S. Wall.	Pavi'g.	Total value
								$ cts.
Michael Malone & Co	181.40	148.90	4,889.05	1,432.35	12.00	7,634.50	787.70	49,118 43
Thompson Peckins & Co	222.30	.....	.....	.....	.....	.....	15.00	574 50
N. G. Howe	201.10	.....	.....	.....	198.10	.....	21.50	1,024 88
John L. Traviss & Co	287.40	805.80	.....	.....	.....	70.00	148.00	6,666 45
Bloom & Carmichael	10.00	390.00	.....	.....	.....	.....	.....	1,586 00
William Cleary	14.00	.....	.....	.....	.....	.....	.....	42 00
H. S. Welles & Co	1,801.37	1,607.60	3,795.80	22.30	223.50	227.00	183.60	42,114 19
Mott & Hammersly	365.25	.....	904.15	.....	672.39	492.30	43.26	10,300 65
Noyes, Clark & Co	766.04	.....	2,546.02	443.99	818.89	4,044.93	161.37	32,377 45
Krum & Co	108.40	.....	.....	.....	.....	1,114.20	209.30	2,151 60
M. & S. Cummins	116.30	.....	94.80	.....	.....	223.70	5.80	1,200 90
John L. Traviss	97.60	.....	.....	.....	.....	.....	149.90	393 90
James Haggarty & Co	.....	.....	234.80	.....	.....	.....	20.00	1,199 00
G. V. Adams	36.00	.....	.....	.....	.....	.....	.....	104 02
A. Coan	.....	.....	.....	758.20	.....	.....	.....	3,032 80
	4,207.16	2,952.30	12,464.82	2,656.84	1,424.88	13,806.63	1,745.43	151,881 77
Work remaining to be done - - - - -					Arching Tunnel,			5,382 00
								$157,263 77

BRIDGING.

John Best..... 1,759.5 Lin. Ft. Bridge, Superstructure,..... $77,194 15

RECAPITULATION.

Graduation, (including work remaining to be done),	$1,554,944 92
Masonry,	157,263 77
Bridging,	77,194 15
Track-laying and distribution of Materials,	74,803 37
Totals,	$1,864,206 21

GENERAL LAND AGENT'S REPORT.

THE DELAWARE, LACKAWANNA AND WESTERN RAIL-ROAD CO.

OFFICE OF COUNSEL AND GENERAL LAND AGENT,
Scranton, January 9th, 1856.

GEO. D. PHELPS, Esq., *President.*

SIR:—During the year just closed, all of the right of way cases upon the Northern Division, which were regarded as difficult to adjust, and likely to involve the Company in litigation, have been amicably settled, upon terms satisfactory to all parties interested. There are yet nine cases upon that Division, in which releases have not been taken; in four of those the terms are agreed upon. The remaining five are of minor importance, and no difficulty is anticipated in settling them upon fair terms. Settlements have been made, and releases obtained, in eleven cases upon this Division during the year, most of which involved difficulties that had been accumulating since the commencement of the Road. The amount paid in said cases was $3,643 29.

Upon the Southern Division there are a number of cases in which releases have not been obtained, a large proportion of which can be settled at a small expense. A few will be more difficult of fair adjustment, but none remain wherein the Company can be involved in consequences more serious than the payment of such damages as may be awarded. It is believed that, before the close of another year, all will be closed satisfactorily to the Company and the land-owners. The amount paid during the year is $7,517 18; amount previously paid, $12,896 48; total, $20,413 66.

In view of the multiplicity of causes which during the past year have existed, tending to involve the Company in litigation, it is a matter of congratulation that those causes have all been removed without leaving behind them a train of legal controversies which, in the end, would unquestionably have resulted in consequences highly detrimental to all parties concerned. And although, in order to produce this result, the Company, in some instances, have probably paid more than could legally have been recovered, yet it is confidently believed that the interests of the Company have been better subserved by pacific measures than they could have been by hostile proceedings.

The Company are not now involved in any matters of litigation of any considerable importance. Some suits are depending, necessarily incident to, and which will always occur in, the transaction of a business so extensive and multifarious; but the uniform principle of fair dealing which has characterized all the business transactions of the Company, leaves but little room for that kind of litigation which is always injurious, if not ruinous, to all parties concerned.

Very respectfully, yours,

JOHN BRISBIN,
Counsel and General Land Agent.

GENERAL COAL AGENT'S REPORT.

THE DELAWARE, LACKAWANNA AND WESTERN RAIL-ROAD CO.

OFFICE,—COAL DEPARTMENT,
Scranton, January 10, 1856.

To JAMES ARCHBALD, Esq., *General Agent.*

SIR:—I submit for the information of the President and Board of Managers, the following Report of the business of the Coal Department, for the year 1855.

MINES.

DIAMOND MINES.—These have continued to be worked during the year by Mr. Peckens and his associates, and have yielded 114,833 tons, which might have been increased to the amount estimated in last year's Report, had the opening of the expected markets, by the completion of the Southern Division, called for it.

A new coal-breaker of ample capacity, has just been completed at these mines, which is intended for the preparation of the Coal taken from No. 1 Slope. This, with the screens and machinery previously built, will afford all necessary conveniences for working said Slope.

A large double shaft 10x36½ feet in dimensions, has been commenced near the Diamond Mines, and one section of it, of 10x10 feet, has been sunk to the depth of 203 feet, through the "E.," or 9 feet Diamond Vein, and the "F.," or 7 feet Vein to the large "G." Vein, which here proves to be 13 feet thick. The Coal of this Vein, though known to be of superior quality, surpasses, at this opening, our highest expectations, and when put into market cannot fail to be received with great favor. This shaft is designed to be continued to the "H.," or lower Vein, 8 feet thick, and is intended to be a main pumping as well as working shaft, for the two lower Veins. The expenditures during the year, at these mines, have been about $32,000.

From a careful survey, made by Mr. D. W. C. Cleaver, Mining Engineer, it appears that the whole area embraced within the working of the first opening at these mines was 64 acres, of which there still remain 28 acres, which will yield 9,000 tons per acre. Of the "F.," or 7 feet Vein, about 3 acres have been partially mined, yielding 8,000 tons per acre.

BELLEVUE MINES.—The works in progress at these mines, at the commencement of the year, have been continued, and a coal-breaker for No. 3 Slope, has been erected. The sinking of the shaft designed to reach the large Vein, is in progress, and the Breaker buildings are in a forward state. The amount expended for the same during the year has been about $49,000. 2,534 tons of Coal have been taken from these mines in the same time, and they are now in a state to produce a yearly amount, equal to all reasonable expectations.

COAL PURCHASED.

There has been received, during the year, as follows:—

From the "Pine Brook Mine," (owned and worked by the Lackawanna Iron and Coal Company,)	19,750	
From Clark's Mines,"	51,748	11-20
Total,	71,498	11-20

RECAPITULATION.

Coal mined by the Company.		
" from Diamond Mines,.....114,832 18-20 tons.		
" from Bellevue Mines,..... 2,534		
	117,366	18-20
Coal furnished from other Collieries, as above,.....	71,498	11-20
Total,.....	188,865	9-20
Total in 1854,.....	133,964	15-20
Being an increase of 41 per cent.,.....	54,900	14-20

SALES, AND STOCK REMAINING ON HAND.

The Stock of Coal on hand December 31, 1854, was,.....	8,631	15-20
Amount (as above) forwarded in 1855,.....	188,865	9-20
" received from C. & S. R. R. Co., at the time of transfer,.....	150	10-20
	197,647	14-20
Of which were sold and delivered,.....	160,714	15-20
Leaving stock on hand, December 31, 1855,.....	36,932	19-20
The Coal sold as above, was delivered as follows:—		
At Scranton, and on the Line of the Northern Division,...	8,785	14-20
At Binghamton,.....	46,511	
At Ithaca,.....	77,680	3-20
At various points on N. Y. & Erie, and connecting Roads,	27,521	3-20
" " Southern Division,.....	216	15-20
Total, ...	160,714	15-20
The total sales in 1854, were.....	129,357	17-20
Increase equal to, say 25 per cent.,.....	31,356	18-20

At the same rate of increase our sales in the same markets, will amount, during 1856, to something over 200,000 tons.

The sales of our Coal is extending from year to year. Its quality gives general satisfaction, and it is received of late with more favor than in preceding years, when so little was known, in Interior and Western New-York, of the use of anthracite coal The introduction of our Coal into that region tended, for a time, to reduce the price of wood for fuel, and promote its continued use; but a reaction has since taken place, and the price for wood advanced to the former standard. This advance must continue still further under the immense consumption of wood by locomotives, and must operate to produce a large and growing demand for our Coal from those sections.

Our collections have been made in the usual manner, and with accustomed promptness; and it is a gratification to be able to say that, notwithstanding the large number of our customers, scattered over a wide extent of country, the value of but a single car-load of Coal has ever been lost.

The Farms, Miners' Tenements, and other property under my charge, have been satisfactorily rented, and the rents collected, and duly accounted for to the Treasurer, who has also the accounts of all other Receipts and Disbursements of this Department.

The Coal lands of the Company have been carefully surveyed, and their limits marked by permanent stone bounds erected at the corners. A neat and accurate township map has been drawn, showing the said lands; also, the Coal lands of the Cayuga and Susquehanna Rail-Road Company; a copy of which map has been forwarded to the New-York Office.

Extensive contracts with various parties have been entered into for the purchase of Coal for a series of years to come; which, with the proceeds of our own

mines, and the shipments of parties on their own account, will, it is believed, furnish such quantity as will be adequate to the supply of the market.

Below, I add a statement of the amount of our Coal forwarded to market from the opening of the Northern Division, in 1851, to the present time.

Respectfully yours,

JOS. J. ALBRIGHT,

General Coal Agent.

Statement of Scranton Coal sent to market, and the mines from whence received, in each year, by the Delaware, Lackawanna and Western Rail Road:—

Year.	Company's Mines.	Lack. Iron & Coal Co.	Swetland Mines.	Clark Mines.	Total.
1851		6,000			6,000
1852	65,825	1,662			67,487
1853	69,042	21,891	6,425		97,358
1854	97,240	28,588	2,890	5,867	133,964
1855	117,367	19,750		51,748	188,865
	349,474	77,841	9,245	57,115	493,674

REPORT OF THE SUPERINTENDENT OF THE NORTHERN DIVISION.

DELAWARE, LACKAWANNA AND WESTERN RAIL-ROAD.

TRANSPORTATION DEPARTMENT.

OFFICE OF SUPERINTENDENT NORTHERN DIVISION,
Scranton, January 28, 1856.

TO JAMES ARCHBALD, Esq., *General Agent.*

DEAR SIR:—In submitting my third annual Report of the business of the Company transacted on this Division, I have the pleasure of stating to you, for the information of the President and Board, that there has been a large increase therein during the past year, as was predicted in my Report for 1854.

EARNINGS.—Full details of the business done, and revenue therefrom, are exhibited in the Reports of the General Freight Agent and General Ticket Agent.

The gratifying increase of business and revenue shown, will, it is believed, continue in the future. In consequence of the opening of the Southern Division, soon to be effected, the merchandise Freight on this Division, from New-York, *via* New-York and Erie Rail-Road, to Scranton, will be necessarily discontinued—but only to pass directly over the Southern Division to that place; while, in addition to this, the Freight and travel from New-York through to Ithaca and back, will, it is thought, more than replace said loss, even in the Northern Division. This, it is manifest, will constitute the nearest and most direct route between those points, (as also between New-York and Syracuse, *via* Syracuse and Binghamton Rail-Road,) and must necessarily receive a large share of the through business passing between them.

EXPENSES.—The Transportation Expenses of this Division, during the year, have been as follows:—

For Office and Station Expenses,	$17,246 61
For Cost of Running,	63,596 33
For Repairs of Engines, Cars, &c.,	51,660 77
For Repairs of Road-bed and Track,	54,727 12
For Repairs of Station-Houses and Buildings,	1,558 67
General Expenses, including $1,600 30 for proportion of Expenses of General Office,	6,173 44
Miscellaneous,	244 19
Total,	$195,207 13

The gross amount of Earnings is	$383,238 86
The gross amount of Expenses, as above,	195,207 13
Net Earnings,	$188,031 73

Considerable expenditures for extraordinary repairs have been made necessary during the year, in consequence of heavy freshets, acting on embankments and culverts which were not properly protected. These have been repaired in the most substantial and durable manner. The prices of labor and materials have also been greater than heretofore. But, notwithstanding these sources of increase in the expenses, it is gratifying to be able to say that the whole cost of transportation of Freight per ton, per mile, has been less than in any former year. This is attributable mainly to the increased amount of Coal shipments made, constituting a larger business done, without any corresponding increase of agencies and means for performing it. There has been, also, some saving of oil and waste,

and a diminution of the cost of engine repairs per mile run; while, at the same time, the condition of the Road itself, in respect to grades, &c., is constantly improving.

The cost of coal-car repairs continues about the same as heretofore; nor can any considerable reduction be made in it, until all the original defective spoke-wheels, which are continually breaking, or getting spotted by spragging on other Roads, are removed; and some method can be adopted to prevent their being run in ordinary Freight trains on said Roads, at ruinous rates of speed; also, to impose a stricter responsibility upon other Rail-Road Companies, for their safe return to the Stations from which they were taken.

Some further saving may be obtained whenever greater regularity can be effected in the return and loading of the cars at the mines; thus enabling the locomotives to pass always with full trains—an improvement which has long been much needed.

The provision which has been made by the Board for renewals, and for extraordinary repairs, such as may be required from freshets, fires, and other casualities, in the establishment of a "Renewal Fund," while it will diminish the amount of the expenditure necessary, will have the effect to equalize it upon each year, and impose thus, upon each, its own proportionate share of expense incurred from the depreciation of the Road, and its equipment, and from the extraordinary sources above named. The average annual amount required for these purposes can be more definitely ascertained after we shall have had further experience.

FUEL.—Our stock of wood on hand, at the beginning of the year, was 1,575 cords, valued at.....	$3,990 09
There have been purchased, during the year, 13,980 cords, costing, including its preparation for use, piling, &c.,.....	34,178 16
There have also been received from the Coal Department, 1,708 5-20 tons of coal, costing.....	2,270 61
	$40,438 86

The consumption and cost of fuel have been as follows:—

Service.	Cords of Wood.	Tons of Coal.	Cost, Total.	
TRANSPORTATION.				
For Passenger Engines,	1,062½	.....	$2,629 25	
" Fr'gt and Wood "	2,113	.....	5,223 20	
" Coal Freight "	5,887	1,708 5-20	16,852 41	
Gravel Engines in repairing Road,	510	.....	1,275 00	
Totals,	9,572½	1,708 5-20	$25,979 86	
CONSTRUCTION.—NORTHERN DIVISION.				
For Gravel Engines,	993	.....	2,463 00	
CONSTRUCTION.—SOUTHERN DIVISION.				
For Gravel-Engines,	1,708	.....	4,256 50	
Total Cords,	12,273½	Total Cost,		$32,699 36
The stock on hand at the close of the year, was as follows:—				
3,281½ cords of wood, valued at.....				7,739 50
				$40,438 86

It will be noticed that the stock of wood on hand is very small. This is owing to the fact that the contractors for supplying it have, to a great extent, failed in fulfilling their engagements. That which has been delivered has, for the most part, been but partially seasoned, requiring a larger consumption than would otherwise have been necessary. Notwithstanding this, however, a considerable saving has been effected in this item during the year, which, it is hoped, may be increased hereafter. The fact that the Southern Division passes through a densely wooded country, encourages the expectation that this article of consumption may hereafter be obtained from thence in any desired quantities, and at reasonable prices.

ROLLING STOCK.—The present equipment of this Division consists of the following:—

LOCOMOTIVES.

13 first-class,
9 second-class,
1 fourth-class,

Total 23, of which three are coal-burners.

The number of Engines reported last year was,	19
Add new Engines purchased and received during the year,	7
Total,	26
Deduct the "Pocono" and "Wyalusing," detailed for service on Cayuga Division, and the "Pioneer," which, having become worn-out and unserviceable as a locomotive, has been converted into a stationary engine, for pumping water from the new well adjoining the machine and car shops, at Scranton,	3
Total in use, as above,	23

For a particular description of the locomotives, the service in which they have been employed during the year, their mileage, cost of repairs, and present condition, see the Report of the Chief Clerk of the Machine and Car Shops, page 61.

The coal-burners have had a severe trial on this Road during the past year, and have shown, conclusively, that their advantageous employment on this Road is no longer doubtful.

CARS.

The whole number of cars now in use is as follows:—

	On hand at the beginning of the year.	Additions in 1855.		Total in use.
		Made by us.	Purchased.	
Passenger—first-class,	4		14	18
" second-class,	1	1		2
Baggage, Mail and Express,	2	2		4
Freight—house,	32	7	10	49
" platform,	39	49		88
Coal—eight-wheeled side-dump,	36	12		48
" eight-wheeled bottom-bump,	40	4		44
" four " "	1,258	500		1,758
" caboose,	4	2		6
Wood—four-wheeled,	2			2
Derrick—eight-wheeled,	1	1		2
	1,419	578	24	2,021

In addition to the above, we have one wreck-car, one four-wheeled tool-car, 116 gravel-cars, 12 four-wheeled hand-cars, and 26 four-wheeled hand-trucks.

Important improvements have been made in the construction of four-wheeled coal-cars, diminishing their dead weight nearly one-third, yet leaving their strength the same. Some reduction is also effected in their first cost. The eight-wheeled side-dump coal-cars have also been improved, rendering them capable of being dumped with ease, and of discharging the coal entirely clear from the track upon level ground, or where trestling cannot be constructed for bottom dumps. The couplings and bumpers of these cars are so constructed as to admit of their being run, with safety, in the regular freight trains, and are well adapted for carrying coal to remote points on connecting roads, and for bringing back freight in return. The four-wheeled coal-cars are not built to admit of this, nor to run with the speed usual in such trains, especially on curves.

The four-wheeled cars now on hand are sufficient (provided they are unloaded and returned with reasonable dispatch) for carrying 380,000 tons per annum to Ithaca. or 350,000 tons to Elizabeth Port. The eight-wheeled side-dump cars are sufficient to transport to Ithaca 24,200 tons, or to Elizabeth Port 19,800 tons, per annum. The whole are sufficient for transporting 404,200 tons to Ithaca, or 369,800 tons to Elizabeth Port. The capacity of service of the locomotives is about equal to that of the coal-cars.

CONDITION OF THE ROAD.—(NORTHERN DIVISION.)

ROAD-BED.—The road-bed has been greatly improved during the past year. The special appropriation made by the Board for finishing the sloping through the cuts, and improving the line at a point north of Montrose Station, has been sufficient for these purposes, and no further expenditure will be required on their account. The embankment across Factoryville Hollow has been completed for a single track. The filling of Humphrey Hollow is in progress, and will probably be completed on or before the first of May next. Something has been done, also, towards the filling of Kingsley's, South Branch, Leach and Fuller trestlings; and if the force now engaged in this work is continued, the whole will be finished by the 1st of October next. About three and one-half miles of the track on Section No. 1 has been ballasted with gravel, two feet deep on the average. Great care has been taken, in doing this, to prepare for the second track, improve the line, and obtain the best working grade. Several unfinished culverts have been completed. Hemlock stringers have been removed, and others of hard wood, of the most durable kind, substituted. Several defective cattle-guards have been rebuilt, ditches opened, &c., (which, as they are a supply of defects in the original construction, might properly be charged to construction account,) occasioning, in part, the increased cost under this head the past year. The road-bed is now in better condition than ever before; still, much remains to be done in improving the line and the grade, before it will be brought to entire completion.

BRIDGES AND TRESTLINGS.—The necessary repairs of these structures have been made, and they are now all in good condition, except the Lackawanna bridge, which, though entirely safe, will require new stringers and covering during this year. The bridges are constructed in a superior manner, so that our heaviest engines and trains cause scarcely a perceptible deflection in passing them, and the expense of repairs has consequently been very small.

The Factoryville trestling, as already stated, has been filled with earth, and the others are carefully watched, and kept in good repair. They should all be completed in the same manner, at the earliest possible moment, not only for purposes of safety, but also of economy—the increasing number of regular trains interfering more and more with the gravel trains, and causing, in consequence, increased delay and expense.

TRACK.—During the year, 3 14-100 miles of track, on Section No. 1, have been relaid, with the improved heavy rail and chairs. The best of the rails and chairs taken up were distributed along the line for repairs of the track, and the defective ones used for sidings on the line and at the mines. Sidings have been laid as follows:—1 16-100 miles at the mines; 83-100 miles at various points on the line, and 45-100 miles at Binghamton; total, 2 44-100 miles. 595 rails and chairs of the light Cayuga and Susquehanna Rail-Road pattern, laid on Martin's Creek, have been taken up, and their places supplied by the original 64 lb. Scranton rail, removed from Section No. 1. 335 bars of the above, with chairs, were sent to the Cayuga Division, and 264 bars and chairs to Binghamton, to be used in the aforesaid sidings.

In addition to the above, 568 defective, and 117 broken rails—in all 685—have been removed from the main line, and used for sidings, and their places supplied by good rails, selected from those taken up on Section No. 1.

3,461 broken chairs of the old light kind have been replaced with the improved chairs—none of which have been broken. 2,875 centre-chairs have been used in securing the outer rails, on curves laid with hemlock ties. The

necessity of employing these for said purpose has added materially to the expense of repairs on those portions of the track.

17,535 hemlock ties have been removed, (principally on curves,) and their places supplied with hard wood ties of the best quality. From 30,000 to 50,000 of the latter will be required during the present year.

SWITCHES.—Twenty-two new switches have been put in the past year, viz.:—Seven at the mines, five in the main track, and ten at stations. Fifteen switches of the old kind have been replaced with the improved safety-switch, which have proved very satisfactory—no accident having occurred in passing over them.

FENCES.—There have been built during the year 471½ rods of stone fence, costing about $1 50 per rod, and 502½ rods of board fence, at a cost of about $1 00 per rod. Three miles of fence, destroyed by freshets in New Milford Valley, have been rebuilt, and charged to transportation. This, with the resetting of fence on cuts, will account for the increased cost of fence repairs the past year.

About eight miles of fence will need to be constructed in the coming year, on those parts of the line where stone can be conveniently procured.

WATER-STATIONS.—These, with the exception noted below, are in good condition on the entire line of the Road, affording at all times an abundant supply. A well twelve feet in diameter, and sixty feet deep, has been sunk in the yard of the machine shops, and a pump placed in it, operated by the superannuated locomotive "Pioneer." In connection with this well, a large elevated tub has been constructed in the machine-shop, contiguous to the round or engine house, into which the water is pumped, affording an ample supply for engines, shops, &c. The brick curbing of this well is so made that the process of sinking can at any time be resumed, and when fully completed, the well will doubtless afford an unfailing supply for all our wants.

A more ample and reliable supply of water is needed at the station at Great Bend. The want of it has caused much inconvenience to this and to the New-York and Erie Rail-Road Company, the past year.

STATION-HOUSES.—Extensive additions are being made to the freight buildings, at Scranton, to accommodate the largely increased business at that station. The New Milford Station-House was considerably damaged by the recent freshet, but has been since repaired, and is now in good condition. A union depot building is much needed at Great Bend, both to afford proper accommodations to the public, and prevent the delay and expense in transhipping goods; also, the danger of crossing the main track of the New-York and Erie Rail-Road with our cars.

NEW BUILDINGS.—During the year, the additions of fifty feet to each wing of the car and machine shops have been completed; also, the engine house, turntable, and part of the track, sufficient to house twenty engines, (which building was described in my Report of last year;) also, the master-machinist's office and fire-proof oil-room attached. These are built, in every part, of the best materials, and in the most substantial manner; and, when fully completed, will be unsurpassed for magnitude and convenience by any similar structure in the country.

An inclined plane, with pockets and schutes for charging engine-tenders with coal, has been constructed; also a sand-drying house, for the supply of engines, and ash-pits to receive the ashes, cinders, &c., from coal-burners. A wood-house alone is now required to complete the arrangements by which the engines coming out of their stalls may receive all their supplies for running, without switching, with the greatest convenience.

MACHINE AND CAR SHOPS, AND FOUNDRIES.

This department, though subject to my general supervision, has been conducted, as heretofore, by Mr. H. L. Marvine, whose Report exhibits the business of the past year. It will be seen that there has been a large increase in the amount of work done, which, for workmanship and economy, is surpassed by that of no other similar establ

The additions of such tools as may be needed from time to time with those previously possessed, will, without doubt, render the capacity of these establishments sufficient for all the work which will be required by the Road when its maximum of business shall have been attained.

It may be permitted me to state that, in accordance with the well-known wishes of the President and Board, it has been to me a matter alike of duty and pride to take care that all persons employed by me, or under my control, in the shops and upon the Road, should have the highest character for sobriety, integrity and competency; and I take pleasure, in closing this Report, both to bear my testimony that they are such, and to express to them my thanks for their cheerful co-operation and valuable aid in the various duties of my office.

Respectfully,

Your obedient servant,

D. H. DOTTERER,

Superintendent of Northern Division.

REPORT OF CHIEF CLERK OF MACHINE AND CAR SHOPS AT SCRANTON.

THE DELAWARE, LACKAWANNA AND WESTERN RAIL-ROAD CO.

MACHINE AND CAR SHOPS, AND FOUNDRIES.

OFFICE—*Scranton, January* 5, 1856.

D. H. DOTTERER, Esq., *Superintendent.*

DEAR SIR:—I herewith submit statements showing the operations in this Department during the year just closed.

The stock of materials on hand Dec. 31, 1854, as per last Annual Report, (page 50,) was		$60,054 64
The amount of iron, lumber, and other materials purchased and received during the year	$171,933 13	
The amount paid for labor in same time	85,910 95	
		257,844 08
		$317,898 72
The total amount of work done (labor and materials) during the year, was	$250,284 52	
The amount of stock of materials on hand at the end of the year	73,230 49	
		323,515 01
Apparent profits		$5,616 29

The following exhibits the results of the year's operations, in comparison with 1854:—

	1854.	1855.	Increase.
Stock of materials at commencement of the year	$44,824 39	$60,054 64	$15,230 25
Paid for materials	156,579 55	171,988 13	15,388 58
" labor	60,568 92	85,910 95	25,342 03
Amount of work done	204,117 44	250,284 52	46,167 08
Stock of materials at close of the year	60,054 64	73,230 49	13,175 85
Apparent profits	2,199 22	5,616 29	3,417 07

The amount paid for materials and labor, and the amount of work done for the various departments in each month, will appear from the following tables:—

EXPENDITURES FOR MATERIALS AND LABOR IN 1855.

Month.	For Materials.	For Labor.	Total.
January	$14,099 61	$4,695 29	$18,794 90
February	4,184 89	4,564 45	8,749 34
March	13,792 03	6,480 68	20,202 71
April	12,570 14	6 867 93	19 438 07
May	15,178 57	7,850 61	23,029 18
June	13,981 57	7,602 05	21,583 62
July	28,489 66	7,662 62	36,102 28
August	27,068 79	8,414 49	35,488 28
September	19,023 51	8,125 61	27,149 12
October	10,648 87	8,105 80	18,754 67
November	6,676 73	7,606 18	14,282 91
December	6,888 76	7,935 24	14,824 00
Totals	$171,933 13	$85,910 95	$257,844 08

* Of this amount there was realized from the work done in the Iron Foundry, as per statement on page 59	$2,879 66
And from the work done in the Brass Foundry, page 60	787 11
Other work in Machine and Car Shops	1,949 52
	$5,616 29

VALUE OF WORK DONE (LABOR AND MATERIALS) IN 1855.

Month	Construction.			Transportation Expenses.	Coal Department.		Sundry Persons.	Total Amount.
	Northern Division.	General Expenditure.	Southern Division.		Construction.	Repairs.		
January	$698 42	$5,669 72	$207 12	$4,590 50	$144 32	$47 48	$1,112 54	$12,470 10
February	623 37	5,062 18	276 20	5,028 96	260 14	26 72	1,327 09	12,604 66
March	469 53	9,673 06	188 86	6,604 49	711 98	89 31	785 13	18,522 36
April	438 88	10,391 27	346 16	5,043 76	875 41		868 54	17,963 97
May	577 25	15,826 44	659 16	4,901 44	1,770 88		2,248 49	25,983 66
June	439 47	17,510 87	497 30	5,209 76	2,460 98		549 97	26,668 35
July	280 65	17,364 42	456 18	5,672 40	1,986 52		1,390 88	27,151 05
August	679 48	19,524 03	1,397 41	4,848 14	3,603 47		1,187 78	31,240 31
September	614 56	19,362 32	1,631 29	4,670 12	1,141 63		1,080 10	28,450 02
October	890 74	6,624 95	2,748 08	3,981 39	1,969 95		883 32	17,098 38
November	736 00	6,367 12	1,402 38	4,552 38	862 54		910 78	14,831 20
December	484 31	8,000 00	1,551 79	5,259 08	454 91		1,550 37	17,300 46
Totals	$6,932 61	$141,376 38	$11,361 88	$60,362 42	$16,242 73	$163 51	$13,844 99	$250,284 59

It will be seen by the above, that the amount of work done on construction of the Northern Division, was..... $6,932 61

The most of this was for the repairs of engines and gravel cars employed in filling in the trestle-works, repairs of said trestle-works, making frogs and switches for new tracks and sidings, and in completing the new engine house and machine shop extension at Scranton.

The amount of work done for the construction of the Southern Division, was..... 11,361 88

The greater part of this was for repairs of engines, cars and tools employed in grading and track laying; constructing water stations; making switches, frogs, etc. The amount of work done, chargeable to General Expenditure, was..... 141,376 38

This account, as has been previously explained, represents the cost of the equipment of the Road, toward which we have made, during the year, the following new cars, viz.:—

500	four	wheeled	coal cars,
4	eight	"	"
12	"	"	side-dump cars.
7	"	"	house freight cars.
49	"	"	platform "
1	"	"	second class passenger car.
2	"	"	mail and express cars.
2	four	"	caboose "
1	eight	"	derrick "

Total 578. The cost of these was..... $138,355 05

Cost of new machinery and tools made,..... 2,198 58

Work on locomotives and tenders, mostly in altering the "Carbon," (coal burner,)..... 822 75

$141,376 38

The amount of work done, chargeable to "Transportation Expenses," being for repairs of locomotives, cars, tools, etc., was.. 60,362 42

It is confidently believed that the expense of this work has been as small as practicable, and much less than the same would have cost elsewhere.

For the "Coal Department" there has been work done in the construction of machinery for coal-breakers, shafts and slopes, and in building mine cars, to the amount of..... $16,242 73

And for sundry repairs made,..... 163 51 16,406 24

This work required a large amount of castings, in the furnishing of which, on economical terms, our foundries have proved very convenient and effective.

The amount of work done for "Sundry Persons"—principally in making dirt cars, irons for bridges, etc., for contractors upon the Southern Division, was..... 13,844 99

Total,..... $250,284 52

The materials required for our work, consisting principally of iron and lumber, have been mostly procured in this place, and on the line of the Road. The iron used, which is of superior quality, is manufactured in this place by the Lackawanna Iron and Coal Co., and is furnished by them at reasonable rates—less than the same article of other make can be procured elsewhere, including cost of transportation. The facilities possessed by us for procuring, at economical prices, all kinds of material, especially fuel, for the manufacture of cars, and for all such other work as is incident to and required by our business, are believed to be unsurpassed, and probably not equaled, by any other locality in the country. In addition to these advantages, the supply of labor—caused by the healthiness of this location, and the inducements it presents as a place of residence, together with the fact that steady employment is given—is adequate to our wants.

I annex statements showing the business of our Iron Foundry and Brass Foundry, the cost of labor and materials used in each month, and the quantity and cost of castings produced, from which statements you will be able to determine the expediency of their establishment and continuance. It will be seen that the castings produced have cost less than those purchased elsewhere, and the convenience of being able to obtain at all times the various kinds of such castings, when wanted, is an important consideration.

I also annex a list of the locomotive engines employed on the Northern and Southern Divisions, and a statement of the cost of the repairs thereon, the distribution of the same, and the service performed by them.

The average number of mechanics, laborers, etc., employed in this Department during the year has been something over two hundred, and it is very gratifying to me to be able to state that they are, as a body, very moral and intelligent; and to the efficiency and fidelity of the foremen, with the industry and faithfulness of the men, the satisfactory results of the business of the year are to be attributed. I believe it is well understood in this community and elsewhere, where the executive officers and managers of the Company are known, that none but men of good character, as respects sobriety and integrity, are employed or continued in employment, in this or any other department of the Company.

Very respectfully,

H. L. MARVINE, *Chief Clerk.*

MACHINE AND CAR SHOPS IN ACCOUNT WITH IRON FOUNDRY.

1855. To sundry Castings made during the year:—

	Various, at 2¾c.	Chairs and Frogs, at 2½c.	Amount.	
	Lbs	Lbs.	$ c.	
January	53,843	9,236	1,849 07	
February	42,839	16,496	1,590 46	
March	97,025	4,127	2,771 35	
April	104,941	2,314	2,943 72	
May	109,784	9,095	3,246 43	
June	94,743	10,207	2,860 59	
July	117,855	16,343	3,649 57	
August	151,426	3,625	4,254 83	
September	134,495	19 878	4,195 67	
October	102,654	29,719	3,565 95	
November	61,555	20,968	2,216 96	
December	88,450	9,980	2,681 87	
Totals	1164,610	151,988	$35,826 47	$35,826 47
To 1 t. 2 cwt. 1 qr. 8 lbs. Pig Iron on hand at $32				35 71
102,569 lbs. sundry Scrap	"	at 1¼c		2,106 86
31,744 lbs. Old frogs &c.	"	at 1c		317 44
				$38,286 48

1854, Dec. 31. By amount of materials on hand $913 04
1855, " " materials and labor during the year, viz.:—

	Pig Metal, Scrap, &c. Amount.	Wages of Pattern-makers, Moulders, and Laborers.	Amount.	
	$ c.	$ c.	$ c.	
January	1,703 61	393 27	2,096 88	
February	1,805 90	140 02	1,945 92	
March	2,706 72	766 58	3 473 30	
April	2,317 15	805 14	3,122 29	
May	1,541 67	853 88	2,395 55	
June	1,470 54	723 88	2,194 42	
July	2,470 06	884 36	3,354 42	
August	2,497 33	1,080 09	3,577 42	
September	2,287 89	1,025 56	3,313 45	
October	2,115 28	981 54	3,096 82	
November	1,889 40	784 27	2,623 67	
December	2,423 42	876 22	3,299 64	
Totals	$24,978 97	$9,514 81	$34,493 78	$34,493 78
Balance (apparent profit)				2,879 66
				$38,286 48

E. E.

H. L. MARVINE, *Chief Clerk.*

MACHINE AND CAR SHOPS IN ACCOUNT WITH BRASS FOUNDRY.

1855. To sundry Castings made during the year, viz.:—

	Brass at 30c.	White Metal at 25c.	Composition Metal, at 30c.	Tin, at 32c.	Lead, at 9c.	Zinc, at 7c.	Amount.	
	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.		
January	702	284	59	20	20		$307 50	
February	989	312	28	10	99	95	401 86	
March	1,566	128	30		47		515 03	
April	1,520	652	26	15	3	5	632 22	
May	1,486	641			4	61	610 68	
June	1,905	879	16				671 05	
July	2,260	644	18½				844 55	
August	2,544	1,187					1,047 45	
September	1,883	674					733 40	
October	1,455	593					584 75	
November	1,120	192					384 00	
December	1,284	200					435 20	
Totals	18,714	5,886	177½	45	178	161	$7,167 69	$7,167 69
To Stock of Materials on hand Dec. 31, 1855, as per Inventory								$764 09
								$7,931 78

1854, Dec. 31. By amount of materials on hand... $894 89

1855. " " materials and labor during the year, viz.:—

	Copper and other Materials.	Wages of Laborers, Pattern-makers and Moulders.	Total.	
	$ c.	$ c.	$ c.	
January	282 96	33 15	266 11	
February	287 46	33 75	321 21	
March	21 50	46 91	68 41	
April	122 37	37 50	159 87	
May	611 80	41 60	653 40	
June	509 67	61 75	571 42	
July	888 99	60 00	948 99	
August	1,054 87	67 50	1,122 37	
September	497 10	63 60	560 70	
October	718 93	60 49	774 42	
November	327 80	84 18	411 98	
December	808 97	82 50	891 47	
Totals	$6,077 42	$672 93	$6,750 35	$6,750 35
By Balance, (apparent profit)				$787 11
E. E.				$7,931 78

H. L. MARVINE, *Chief Clerk.*

THE DELAWARE, LACKAWANNA AND WESTERN RAIL-ROAD COMPANY.

List of Locomotive Engines in use on the Northern and Southern Divisions, and Statement of the cost of Repairs thereof, and during the year 1855.

Name.	Class.	Makers.	Time on the Road.	No. miles run in 1855.	Cost of Repairs.	Cost per mile run. Cents.	C
1 Pioneer,	Fourth.	Unknown.	4 y'rs 7 mos.	———	———	———	Worthless as a Locomoti gine for pumping wate
2 Spitfire,	"	English.	4 " 7 "	13,000	$333 06	2.56	Under repairs; needs ne
3 Wyoming,	Second.	Rogers, Ketchum & Grosvenor.	4 " 2 "	16,905	366 16	2.17	In service; boiler and w
4 Capouse,	First.	Ditto.	4 " 2 "	14,971	690 35	4.61	Ditto, in good orde
5 Montrose,	Second.	Ditto.	4 " 1 "	19,058	945 63	4.96	Ditto, boiler and w
6 Ithaca,	"	Ditto.	4 " 1 "	17,110	1,980 37	11.28	Ditto, in good orde
7 Keystone,	First	William Swinburne.	3 " 9 "	8,622	1,067 66	12 39	Ditto, ditto.
8 Niagara,	"	Rogers, Ketchum & Grosvenor.	3 " 6 "	14,931	1,817 80	12.18	Ditto, ditto.
9 Ontario,	"	Ditto.	3 " 7 "	17,016	1,722 65	10 12	Ditto, ditto.
10 Genesee,	"	Ditto.	3 " 6 "	16,130	1,280 73	7.95	Ditto, wants new ti
11 Buffalo,	"	Ditto.	3 " 5 "	19,042	1,183 16	6.21	Ditto, tire needs tu
12 Wyalusing,	"	Danforth, Cooke & Co.	2 " 6 "	18,446	1,619 25	8.78	Transferred
13 Pocono,	"	Ditto.	2 " 3 "	390	351 99	22.87	"
14 Anthracite,*	"	Ditto	1 " 5 "	13,000	1,289 24	9.91	Ditto, wants new ti
15 Moosic,	Second.	N. J. Locomotive Co.	1 " 5 "	17,797	654 61	3 69	Ditto, in good orde
16 Lackawanna,	First.	Danforth, Cooke & Co.	1 " 4 "	21,040	948 19	4 50	Ditto, ditto.
17 Susquehanna,	"	Ditto.	1 " 3 "	23,652	281 45	1.20	Ditto, ditto.
18 Tobyhanna,	"	N. J. Locomotive Co.	1 " 3 "	10,505	694 32	6.60	Ditto, wants new ti
19 Carbon,*	"	Ross Winans.	1 " 2 "	6,519	1,740 80	26 70	Under repairs.
20 Samson,†	Second.	Danforth, Cooke & Co.	7 "	9,000	110 24	1.22	In service; in good orde
21 Wilkesbarre,†	"	N. J. Locomotive Co	5 "	8,260	155 89	1.89	Ditto, ditto.
22 Plymouth.†	"	Ditto.	5 "	8,770	156 88	1.79	Ditto, ditto.
23 Lehigh.* †	First.	Ditto.	7 "	3,575	321 15	9.08	Ditto, ditto.
24 Hercules,†	Second.	Danforth, Cooke & Co.	4 "	4,405	156 38	3.50	Ditto, ditto.
25 Kittatinny,†	First.	Rogers, Ketchum & Grosvenor.	3 "	6,700	134 43	1.87	Ditto, ditto.
26 Superintendent,†	Second.	Danforth, Cooke & Co.	2 "	1,850	88 67	4.79	Ditto, ditto.
				310,694	$20,541 06	6.61	Average per mile.

* Coal Burners.
† Purchased in 1855.

RECAPITULATION,
AND DISTRIBUTION OF ENGINE REPAIRS.

Repairs of Passenger Engines,	- - - - - -	$2,520 28
" Freight "	- - - - - - - -	8,868 17
" Coal "	- - - - - - - -	10,415 65
" Road-bed "	- - - - - - - -	561 04
" Northern Division Grading Engines,	- - -	1,527 41
" Southern " "	- - -	1,478 85
" " " Superintendent's Engines		151 71

REPORT OF SUPERINTENDENT OF CAYUGA DIVISION.

DELAWARE, LACKAWANNA AND WESTERN RAIL-ROAD.

TRANSPORTATION DEPARTMENT.

OFFICE SUPERINTENDENT OF CAYUGA DIVISION,
Ithaca, N. Y., January 1st, 1856.

TO JAMES ARCHBALD, Esq., *General Agent.*

SIR:—In pursuance of the plans of the original projectors of the Ligett's Gap Rail-Road, (now the Delaware, Lackawanna and Western Rail-Road,) the Cayuga and Susquehanna Rail-Road has been transferred to this Company, by lease; and with it, as one of the conditions of the lease, all of the equipment of locomotives, cars and machinery,—also all materials on hand, and the steamboat property on Cayuga Lake. The lease took effect from and after January 1st, 1855; but actual possession was not given till about the first of May. The steamboat property was soon after sold—the Company not deeming it for their interest to be encumbered by the details of the business connected therewith, upon the lake.

This portion of the entire line of Road has been, for convenience' sake, named the "Cayuga Division;" and, in consequence of its acquisition, it will be a matter of interest to the Stockholders to be informed more particularly of its character, present condition and capacity, and the business done upon it the past year.

CHARACTERISTICS OF THE ROAD.

LENGTH.—This Division extends from its intersection with the New-York and Erie Rail-Road, at Owego, to the Pier in Cayuga Lake, at Ithaca. It has 34.61 miles of main track, and 3.49 miles of side track; making the total of track laid 38.10 miles.

ALIGNMENT.—The aggregate length of the tangents or straight lines is 17.67 miles; of curved lines, 16.94 miles. The whole amount of curvature of the Road is 1.285 degrees; being an average of 37 degrees per mile of the entire Road, and of 75.91 degrees of the curved part. The maximum radius is 30,000 feet, the minimum 800 feet; the latter extending for a short distance only, near Owego.

GRADES.—The sum of the ascents going south (from Ithaca to Owego) is 644 feet; going north, 224 feet—whole ascent and descent, 868 feet. The maximum grade line commences about two miles south of the Ithaca Station, and runs southward 3.42 miles, with an average ascending grade of 79.39 feet per mile. The line being flattened on curves, the tangents present a greater inclination; the maximum being 86 feet per mile.

The summit of the line is 12.15 miles south from Ithaca Station; being 594 feet above the level of the line at Ithaca, and 969 feet above tide at Albany. The summit is 20.68 miles from Owego, with an elevation above Owego of 175 feet.

The line from Owego to the summit is nearly straight, and has no opposing grade of more than 21 feet per mile, except at points where the line is undulating for short distances, in consequence of cuts or embankments not being brought exactly to the grade line. Maximum loads can therefore be hauled from Owego, north, with every train. The favorable location of the grades, in reference to the general course of the traffic, is a fact of great practical advantage in working the Road.

BRIDGES.—There are seven Truss bridges on the line, having an aggregate length of 1,204 feet, with 25 spans, of from 50 to 60 feet each; 426 feet of these bridges have been rebuilt within the past year, and the remaining 778 feet are

under contract, to be finished during the coming season. There are 24 smaller structures resting on bents or piles, and of an aggregate length of 1,720 feet. These are generally in good order, having had new stringers, and other extensive repairs, in the past two years. All the bridges were well and substantially built in 1849 and 1850; but the greatly increased weight of the engines, beyond what was contemplated at that time, together with the natural decay of the materials, has made necessary extensive additions to their strength, and large repairs. When the bridges now under contract shall have been finished, the expenditures in this department will, without doubt, be much lessened for many years to come.

PRESENT CONDITION OF THE ROAD.

For repairs of the track, and other purposes, the line is divided into six Sections, as follows:—

SECTION 1 commences at the Pier at Ithaca, and runs south 5.61 miles, and has 2.16 miles of side track; total, 7.77 miles. The Pier in Cayuga Lake has upon it 1,368 feet of track. It was originally built by the State, and is used by virtue of an Act of the Legislature to that effect—the Pier to be kept in repair, as a consideration for its use. Extensive additions were made to the Pier in 1850, since which time it has been kept in good repair. It now requires an expenditure of about $150 00. The wharf known as the Old Steamboat Landing has received extensive repairs during the year. 200 feet of new docking have been put in, and 300 feet put in repair, and the whole basin thoroughly dredged out. The Cayuga Lake steamboats use said wharf, and by agreement, future repairs are to be made by the proprietor of said boats, at his own expense.

The Coal Wharves and Docks are also located on this Section, presenting a water-front of 3,300 feet, (including a wharf adjoining, used for lumber, plaster, &c.,) all well situated, and adapted to the business intended. A portion only of this water-front, however, has been brought into actual use. The trestling used for unloading coal-cars has been extended this year 313 feet; making its present entire length 906 feet. A new trestling for empty cars has also been built this year, along side of the main trestling, and of the same length; but it cannot be used until the track is laid upon it—the iron for which has not yet been furnished. The fixtures mentioned are generally in good repair. Additional side tracks, for the use of Coal Trains, near the schutes, were commenced in the early part of the season, but have not been completed. Their completion is still called for, and when effected, much time, labor and expense, in sorting out and switching cars, will be saved, and many vexatious delays will be prevented.

The Engine House and Repair Shop at Ithaca are in good repair. The Turn-Table alone is defective, and will probably have to be renewed during this year. The Freight and Passenger Depot, and all other buildings of the Company, at Ithaca, are in a good state of preservation, and will need no repairs.

The whole of the track on this Section is generally well ballasted with good gravel or stone. The number of new ties put in during the year is 1,062: rails broken, 3; chairs broken, 260; defective rails in main track, 191; ditto in switches, 117; very defective in main track, 131; ditto in switches, 38,—being a total of 308 defective, and 169 very defective, or worn-out rails, now in this Section.

Three men are regularly employed on this Section, in repairs.

SECTION 2.—This Section has 5.10 miles of main track, and 324 feet of switches, equal to 5.16 miles in all, and terminates southwardly at the junction of the new line built in 1849, with the old Ithaca and Owego Rail-Road. This portion of the Road has never been regularly ballasted; and, in view of the large expenditure annually required to keep the track in order, the expediency of having it done at once is apparent. Eight men are regularly employed in repairs on this Section, at an expense of some $1,500 annually, more than for the same purpose on Section No. 1, while its length is some 2½ miles less. Besides this, a gravel train, with a large gang, has been required, from time to time, to remove slides upon the track in cuts, and replace slides from embankments, clearing out ditches, &c. 532 new ties have been placed in the track on this Section

during the year, and 6 rails, and 320 chairs broken. There are 468 defective rails in the main track, and 87 very defective, and 36 very defective in the switches. Total in this Section, 468 defective, and 123 worn-out rails.

SECTION 3 has 5.22 miles of main, and 0.34 miles of side track—in all 5.56 miles, generally well ballasted. Four men are regularly employed in repairs. There have been 759 new ties put in, and 10 rails, and 254 chairs broken. In the main track are 428 defective, and 23 very defective rails. In the switches, 174 very defective. Total in this Section, 428 defective, and 197 very defective rails.

SECTION 4 has in all 4.87 miles of track, and is generally well ballasted. New ties, 463; rails broken, 4; chairs broken, 194. There are 468 defective, and 42 very defective rails on this Section. Four men regularly employed.

SECTION 5 has 6.92 miles of main, and .37 of side track, generally well ballasted. New ties, 403; rails broken, 5; chairs ditto, 204. There are 518 defective, and 81 very defective rails in the main track, and 214 very defective in switches. In all, 518 defective, and 295 very defective rails in this Section. Three men regularly employed.

SECTION 6 has 6.189 miles of main, and .55 side track. Total, 7.44 miles, generally well ballasted. New ties put in, 781; chairs broken, 320. In the main track, 685 defective, and 133 very defective rails. In the switches, 6 defective, and 221 very defective ditto. Total, 691 defective, and 354 very defective rails in this Section. Four men are regularly employed in repairs. This Section terminates at Owego.

RECAPITULATION.

From the foregoing statements, it appears that, during the past year, 4,000 new ties have been placed in the track; 27 rails broken, 1,554 chairs ditto; in the main track 2,758, and in side tracks 123 defective rails; in the main ditto, 497; in side ditto, 683 very defective rails—being a total of 2,881 defective, and 1,180 very defective ditto, in the line.

Most of the ties now in use were cut in 1849 and 1850, so that it is safe to presume that all the ties will have to be renewed during the next three years. Seven ties were originally placed under each length of rails; nine are now used in renewal Oak and chestnut only are employed. Estimating the first cost of the tie at 25 cents, it costs, on the average, about 50 cents to replace an old tie with a new one.

The whole number of chairs placed in the Road was about 22,345, weighing about seventeen pounds each, used with a wooden key. Of this number, 5,782 have been broken during six years. The number of miles run in that period was 393,606, showing 25.8 per cent. wear, or one chair broken for sixty-eight miles run. Latterly a socket-chair has been used without key, weighing about twenty-four pounds. These have proved more durable.

There were originally placed in the track about 22,677 rails—about one-third English and two-thirds American. Of these were broken—in 1850, none; in 1851, sixty-five; in 1852, two; in 1853, seventeen; in 1854, two hundred and one, (principally in January and February;) in 1855, twenty-eight: total, three hundred and thirteen. Miles run by trains in that period, 393,606, giving one rail broken for 1,257 miles run. In December, 1854, there were 2,497 defective, and 455 very defective rails in the track; there are now 2,881 defective, and 1,180 very defective rails, showing an increase during the past year of defective rails, 384, and very defective, 725; to which must be added, sixty replaced by new rails, (the first ever put in,) making the whole increase in worn-out rails during the year, 785. It appears thus that most of the wear has been confined to rails defective at the beginning of the year: a fact which augurs well as to the future wear of the rails now in use. This Division has been in operation six years. Thirty-five hundred and twenty-two tons of rails were originally laid, equal, at fifty-eight pounds per yard, to 22,677 bars, each eighteen feet long. Whole number of miles run during said period, 393,606. Tons carried, 381,820. Number of worn-out rails now in the track, 1,180, besides sixty replaced during the year by new rails; making

the whole number of rails worn out in six years, 1,240, averaging one for every eighteen rails laid, or for 317.42 miles run, or 307.91 tons transported.

This estimate, however, does not show the entire amount of wear of the rails, inasmuch as it does not include the wear of those known to be defective, or of those regarded as good; all of which, if not actually broken down, are more or less worn on the upper surfaces and sides. Estimating, then, the 2,881 rails reported defective to be, say three-quarters worn, we have them equal to 2,161 worn-out rails, which number added to the 1,240 actually worn out, makes the total consumption of rails in six years, 3,401 bars; making an average of one for every 6.3 rails laid, or for 115.72 miles run, or for 112.26 tons transported.

There are in the main track 20,304 bars, of which 497 may be considered worn out, and 2,758 defective, say three-quarters worn, equal to 2,069 worn out; making an aggregate of 2,566 worn-out rails, and leaving in the track 17,738 good rails. These, according to the deductions from the results of the past six years, will suffice for about 2,052,641 miles of running by trains, and 1,991,267 tons of transportation, assuming that no more passenger trains pass over the road than heretofore—that is one each way daily; and that no increase in speed is adopted. These conclusions seem to disprove the ideas generally entertained as to the indestructibility and perpetuity of heavy rails. The returns of American Roads generally afford but little information on this subject. The Reading Rail-Road shows for six years, (1849–1854,) one bar worn out for every 303 tons transported; this Division, as above, one for every 307.

Notwithstanding the multitude of causes conspiring to destroy rails—such as bad sub-grade, poor ballasting, want of ditches, loose joints, unequal distribution of ties, inequalities in the dimensions of ties, and the use of freight cars without good springs—the wear of the rails is, after all, mainly owing, and is in proportion to, the speed of the trains. Common-sense would so decide, and all experiments fully demonstrate it. The results of one series of experiments, (and others might be cited, if necessary,) showed, that while rails weighing fifty-six pounds per yard were destroyed with the passage of 1,822,800 tons, hauled at a velocity of twelve to sixteen miles an hour, and by locomotives weighing from fourteen to sixteen tons each; with the same cars, but at a speed of but twelve miles per hour, the rails stood under the passage of 4,033,500 tons; and at three miles per hour they sustained the passage of 4,900,000 tons *without material injury*. The engines employed in these experiments weighed only from fourteen to sixteen tons. Those running on this Division weigh from twenty-three and a half to thirty-three and a half tons. This matter of speed is referred to, because, during the past year, the Managers of this Division, generally, and the undersigned in particular, have been censured because the trains under their direction have not been run more rapidly.

This Division, except in the particulars herein stated, is in good order and repair, and was never in so good condition for a heavy traffic as now, whether reference be had to the permanent way, rolling stock, or general facilities for operating.

LOCOMOTIVES.

The following table exhibits the names and description of the Locomotive Engines in use on this Division during the whole or part of the last year, with the number of miles run by each, the cost of repairs, and present condition of the same.

Name.	No. of Pairs of Driving Wheels.	Diamt'r of Wheels in feet.	Size of Cylinders. Inches.	Weight of Engines with wood and water. Tons.	Weight of Tender with wood and water. Tons.	Weight of Engine and Tender Tons.	Class.
Lackawanna..	2	6	15x20	28½	21	44½	Passenger.
G. W. Scranton	2	5	16x20	26	21	47	Freight.
De Witt.....	2	5	16x20	26	21	47	"
Tunkhannock.	3	5	18x20	33½	25.10	58.60	"
Cayuga.....	3	4½	17x20	28	24.10	52.10	"
Pocono.... ..	3	4½	17x24	32¾	25	57¾	"
Wyalusing....	3	4½	17x24	32¾	25	57¾	"

	Miles run.	Cost of Repairs.	Cost pr. mile run—cts	Present Condition.
1. Lackawanna,.....	19,425	$1,120 02	5.76	In good order and repair.
2. G. W. Scranton,..	14,168	526 88	3.71	" "
3. De Witt,.....	18,080	601 58	3.32	" "
4. Tunkhannock,.....	12,958	1,481 78	11.43	" "
5. Cayuga,.....	16,148	581 45	3.21	" "
6. Pocono,.....	11,071	334 48	3.01	New Tire wanted.
7. Wyalusing,.....	1,176	24 70	1.10	" "
Total and Average,...	93,026	4,670 84	4.95	

1, 2, 3, 4, and 5, formerly belonged to the Cayuga & Susquehanna R. R. Co.

CARS.

There were received from the Cayuga and Susquehanna Rail-Road Company the following cars:—

3 First Class Passenger Cars.
3 Baggage "
18 House Freight "
16 Platform " "
1 Eight-wheeled Caboose Car.
1 Four-wheeled Lumber "

Total 42; all of which have been in use during the year. Besides these, coal and other cars, from the Northern Division, have been used more or less; and some of the former have also been used on other Divisions.

BUSINESS OF THE PAST YEAR.

It is due to the men employed, to record that, under the favor of Providence, no accident has occurred during the year, involving the loss of life or limb, either of passengers or employés; nor has any claim been presented for baggage lost, or damages to merchandise.

EARNINGS.—The whole number of passengers carried is 28,487; of whom 14,582½ were carried northward, and 13,904½ southward. Total carried one mile, 695,234.

The whole amount of freight, of all kinds, transported, is 135,345 tons, of which 119,162 were carried northward, and 16,183 southward; making 88 per cent. of the whole drawn in the direction of the favorable grades, and 12 per cent. in the opposite. Total number of tons carried one mile, 4,286,988, of which 107,537 tons were of coal, carried northward.

The revenue derived from transportation during the year is

From Passengers,	$20,554 76
" Freight and Express,	113,451 36
" Mail,	1,545 25
" Storage,	3 06
" Rents,	610 00
Total,	$136,164 43

For more minute details respecting the Freight and Passengers transported, reference is made to the reports of the General Freight Agent, (p. 69) and General Ticket Agent (p. 76.)

EXPENSES.—The transportation expenses for the year, have been as follows:—

Office and Station Expenses,	$7,905 75
Cost of Running,	21,151 41
General Expenses,	3,128 18
Repairs of Engines and Cars,	12,587 35
" of Track and Roadway,	30,247 46
" of Buildings,	409 57
Miscellaneous, (including Taxes)	3,348 66
	$78,778 38
Deduct differ'ce in sale of Cayuga Lake Steamboat Property,	4,742 05
	$74,036 33
The gross amount of earnings is	$136,164 43
The total Expenses,	74,036 33
Amount of nett Revenue,	$62,128 10

The average number of men regularly employed during the year, has been as follows:—

Engaged in repairs of the Road,	29
" " machinery,	17
" in operating the Road,	44
Total,	90

In respect to the future, in view of the rapidly increasing demand for our "Scranton Coal," throughout Northern and Western New-York, as also for the produce of the West, in return for consumption in the mining region, it cannot be doubted that the business of this Division will continue to augment. Besides the important advantages formerly anticipated from the completion of the Lake Ontario, Auburn, and New-York Rail-Road from passing through Auburn, to Little Sodus Bay, on Lake Ontario, are now soon to be realized; said enterprise having recently been resumed with favorable auspices for its success. Much more may a large increase be expected from the completion of the

Southern Division of our Road, by which a continuous *broad gauge route* for Passengers and Freight, will be opened from the Lakes on the North to the great metropolis, and to the other important centres of business and influence in the South.

Large expenditures have been made the past year for repairs and renewals in the roadway, bridges, rolling stock, &c., which are usually classed as "extraordinary repairs," and are provided for, as a necessary incident of the business, by a "Renewal Fund," in Companies where such Fund has been established. This Fund, created by yearly appropriations from the earnings, serves to equalize the annual expenses from this source. Without such provision, the Road and its equipment are obviously soon worn out, with no means for their replacement, save from continued calls upon the Stockholders.

In view of these considerations, and also of the fact that the Stockholders of the Cayuga and Susquehanna Rail-Road Company have never received a dollar of dividend upon their investment, it has been decided by this Company to advance the rates for transportation of Passengers and Freight, to an amount which shall enable them to maintain the Road in order, and receive some compensation for the expenses incurred by them in furnishing accommodations for the public. It is gratifying to observe that this advance appears, in the main, to be satisfactory to the public; it being self-evident that small earnings, heavy expenses, and no dividends, cannot always continue to satisfy the reasonable expectations of confiding and hopeful Stockholders.

Respectfully submitted,

W. R. HUMPHREY,

Superintendent Cayuga Division.

GENERAL FREIGHT AGENT'S REPORT.

DELAWARE, LACKAWANNA AND WESTERN RAIL-ROAD.

TRANSPORTATION DEPARTMENT.

GENERAL FREIGHT OFFICE,
Scranton, January 20, 1856.

TO JAMES ARCHBALD, Esq., *General Agent.*

SIR:—I respectfully submit the following Report of the revenue derived from the transportation of Freight and Mails during the year 1855, with various statistics pertaining to the business of this office.

In compliance with instructions received from the General Office of the Company, our accounts are so kept as to show the whole amount of the transportation earnings, and also the portions of it accruing from each Division of the Road.

The total tonnage of Freight of all kinds, except coal, transported during the year, was 107,290 tons; and the aggregate mileage equal to 4,784,680 tons carried one mile. The total amount of coal carried was 214,282 tons; equal to 17,048,057 tons carried one mile. Total amount of Freight of all kinds 321,572 tons—equal to 21,832,737 tons carried one mile. The total revenue derived from Freight, including coal, was $424,030 67, being an average of 1 94-100 cents per ton, per mile.

On the Northern Division were carried of Freight other than coal, 84,732 tons—equal to 4,041,076 tons carried one mile; of coal, 214,065 tons, equal to 13,490,874 tons for one mile. Total 298,798 tons—equal to 17,531,950 tons carried one mile, producing $309,954 98—being an average of 1 76-100 cents per ton, per mile.

On the Cayuga Division were carried of Freight other than coal, 27,808 tons—equal to 738,263 tons carried one mile; of coal 107,537 tons—equal to 3,548,724 tons carried one mile. Total, 135,345 tons—equal to 4,286,988 tons carried one mile; yielding $113,466 34, an average of 2 65-100 cents per ton, per mile.

On the Southern Division were carried of Freight other than coal, 657 tons—equal to 5,340 tons carried one mile; of coal, 216 tons—equal to 8,458 tons carried one mile. Total, 874 tons—equal to 13,798 tons carried one mile, producing $609 35, being an average of 4 41-100 cents per ton, per mile.

Full details of the above business are exhibited in the annexed Tables.

In addition to the revenue from Freight, amounting to	$424,030 67	
Less, refunded for errors and over charges,	404 64	
		$423,626 03
There has been received as follows, viz.:—		
For use of locomotives,		21,115 16
For use of cars,		6,262 22
Storage,		18 67
Transportation of mail,		3,688 25
Total for transportation exclusive of Passenger Earnings,		$454,710 33

The amount received for use of locomotives was paid by the New-York and Erie Rail-Road Company, under an arrangement with them, by which our Coal and Freight trains are run upon their Road between Great Bend and Owego: that Company charging us the regular rates of toll on Freight, stipulated in our contract with them, and allowing us for the use of our locomotives when employed in that service.

The amount received for use of cars was principally derived from the Coal Department, for said use upon other Roads, exclusive of that portion of the

New-York and Erie Rail-Road above mentioned, which, in the rates of Freight fixed in the transportation of coal to Binghamton, Owego, and Ithaca, is regarded as part of our Northern Division.

The Freight Tariff for the Northern Division, adopted by the Board of Managers on the 1st of April, 1854, has been continued, with slight modifications in respect to a few articles. The prices for the Cayuga Division, were increased, and a new tariff issued on the 15th October last.

At the request of a Committee of the Board on that subject, there is now in preparation a new Freight Tariff for the whole line of Road from New-York to Scranton and Ithaca, which will be issued on the opening of the Southern Division. It is not in contemplation, however, I believe, to make any material alteration in the rates per mile; although, in respect to the Cayuga Division, some modifications in the existing rates for the local business have been suggested and are under consideration.

In this connection, permit me to refer to a topic to which my attention has been called by the Treasurer, which, in my view, merits the consideration of the Board, and others interested in Rail-Road management. It is that of the present system of express freighting. The right to carry articles on the various Roads is, by general usage, farmed out to the Express Companies at a stipulated rate. Out of this business they have been enabled to make large profits, as appears from the market value of their capital stocks, which ordinarily much exceeds that of the Rail-Roads themselves, as evidenced by the quotations of sales in the large cities. It is not intended to intimate anything against the usefulness and importance of the Express business, or against its management by the various companies engaged in it, which is, doubtless, well and honorably conducted. Still, there is no apparent reason why this business might not be as well, or even better done, by the Rail-Road Companies themselves; by which, while the public are equally accommodated, the aforesaid large profits might accrue to the Stockholders by whose enterprise and capital these facilities for transportation have been provided. Indeed, it is obvious that it might be done by them with greater economy; since they are already and necessarily provided with men, offices, and facilities for transportation, sufficient, in nearly all cases, for the demands of that business—all which are a direct source of expense to the Express Companies, (except so far as gratuitously allowed by the former,) to be deducted from their receipts. Besides, a considerable, and that the most lucrative portion of said business—such as the transmission of money, and other small packages of value—affords, under the present system, no income to the Rail-Road whatever; and inasmuch as the agents of the latter, in many cases, act also in behalf of the former, for a commission, there must be a temptation for them to divert into the hands of the Express Companies what would otherwise naturally, and of right accrue to the business of the Roads.

I have been unable to discover any satisfactory reasons for the farming out of this portion of the transportation business of our Road, which would not equally well apply to any other. And if, on consideration, the Board should deem it expedient to adopt any change in this respect, it is not apprehended that any serious difficulty would be found in making all needed arrangements for carrying it into effect.

It is not deemed necessary to enter here into the details of our mode of conducting the Freight business. It is sufficient to observe that experience has shown it to be simple and easily comprehended, and also effective in providing all practicable checks against the usual sources of loss.

The rule requiring the payment of charges on Freight upon its delivery, continues to be enforced, and the Company have sustained no losses during the year from this source.

The following table exhibits the names of the Stations and Agents, and the amount of uncollected bills due for freight remaining on hand 31st December, 1855:—

Stations.	*Agents.*	*Uncollected Bills.*
Scranton,	A. B. Fuller,	$1,112 39
Clark's Summit,	A. R. Dunn,	2 51
Abington,	Norman Phelps,	19 00
Factoryville,	U. V. Mace,	66 04
Tunkhannock,	A. D. King,	46 12
Hopbottom,	(No Agent,)	
Oakley's,	D. K. Oakley,	13 20
Montrose,	Benjamin Case,	57 98
New Milford,	S. H. Morse,	5 29
Great Bend,	C. B. Stow,	1,634 51
Binghamton,	A. Doubleday, Jr.,	1 48
Owego,	James Robbins,	88 99
Ithaca,	Horace Hill,	477 10
Total,		$3,524 61

I avail myself of this opportunity to testify to the industry, fidelity and devotion to their duties, exhibited by all the Station Agents.

In conclusion, I would observe, that the greatly increased earnings from the transportation of Freight during the past year, are well calculated to inspire the stockholders with lively hopes in the prospect of the opening and working of the entire line to New-York. If an unconnected portion of the Road has done so well, what may not be reasonably expected from the operations of the completed whole?

Our transportation business is still in its infancy, and must swell to gigantic proportions when this coal valley, through its length and breadth is covered with thriving villages, and a hundred engines and thousands of men are at work exhuming its inexhaustible treasures. Our Road will always be the main channel of trade between the city of New-York and the Lackawanna valley, and between the latter and the great routes of business at the West and North, and cannot fail of commanding a heavy and constantly increasing traffic.

Respectfully submitted,

REUBEN A. HENRY,

General Freight Agent.

THE DELAWARE, LACKAWANNA AND WESTERN RAIL-ROAD COMPANY.

TRANSPORTATION EARNINGS FOR 1855.

	Northern Division.	Cayuga Division.	Southern Division.	Lack. and Bloomsburg R. R.	Total.
	$ c.	$ c.	$ c.	$ c.	$ c.
Passengers' Fares,	43,952 08	20,515 08			64,467 06
" Extra Baggage,	87 57	89 73			127 30
Freight, Coal,	210,249 94	80,652 81	209 99		291,112 74
" Merchandise,	98,205 86	31,681 98	399 86		130,287 20
" Express,	1,499 18	1,131 55			2,630 73
Transportation of Mail,	2,143 00	1,545 25			3,688 25
Use of Locomotives,	21,115 16				21,115 16
" Coal Cars,	6,262 22				6,262 22
Storage,	15 61	3 06			18 67
Totals,	383,530 57	135,569 41	609 85		519,709 33

MONTHLY EARNINGS OF NORTHERN DIVISION, IN 1855.

	PASSENGERS.				FREIGHT.												Transp'n of Mail.		Use of Locomo's.		Use of Coal Cars.		Storage.		Totals.	
	Fares.		Extra Baggage.		Coal.		Merchandise.		Express.																	
	$	c.	$	c.	$	c.	$	c.	$	c.							$	c.	$	c.	$	c.	$	c.	$	c.
January,....	2,904	00	2	25	14,673	60	5,018	65	127	66							178	59	1,493	05	259	21	7	60	24,664	61
February...	2,102	04	2	25	11,545	34	4,810	10	77	79							178	58	1,178	75	1,005	87			20,900	72
March.....	3,161	58	3	50	10,925	34	6,199	50	102	19							178	58	1,132	09	753	66	1	87	22,458	31
April.....	3,535	33	6	25	19,973	76	5,880	31	104	68							178	59	2,167	86	475	28	1	06	32,328	12
May.....	3,921	46	8	25	22,918	92	8,835	03	112	69							178	58	2,379	14	119	40	1	00	38,474	47
June..	3,703	11	8	87	19,286	75	10,861	43	142	81							178	58	2,012	30	86	55			36,280	40
July.....	4,168	70	9	26	18,392	40	9,530	39	108	58							178	59	1,879	53	141	67	1	44	34,410	56
August.....	4,031	72	10	02	17,057	88	10,500	30	119	08							178	58	1,739	31	168	51	2	00	33,807	30
September.	4,389	37	10	87	10,741	12	7,729	81	137	56							178	58	1,456	66	351	31			24,995	28
October....	5,148	34	14	70	19,118	92	10,500	86	123	78							178	59	1,209	06	785	34		89	37,079	98
November...	3,493	91	5	73	19,682	06	9,129	87	154	77							178	58	1,894	82	930	24		25	35,470	23
December..	3,892	47	5	62	25,928	90	9,209	61	187	69							178	58	2,572	59	1,185	18			42,660	64
Totals.	43,952	03	87	57	210,249	94	98,205	86	1,499	18							2,143	00	21,115	16	6,262	22	15	61	383,530	57

The increase of business thus shown on the Northern Division has been gradual, yet fully equal to what was anticipated, and may be reasonably expected to continue. In consequence of the access to this portion of the country, so rich in Mining and Manufacturing resources, which is furnished by the completion of this Road, the population is rapidly increasing, and cannot fail to enlarge the business of this Division, and of the entire line, in a yet greater ratio.

The decrease on the Cayuga Division is accounted for by the opening of the Syracuse and Binghamton Rail-Road, running nearly parallel with it; which in consequence now receives from some localities a large share of the travel which previously went by the Cayuga and Susquehanna Rail-Road, and Cayuga Lake.

The prices for transportation of both passengers and freight, which had been established by the previous management, though at lower rates than on the Northern Division, were continued on the Cayuga Division for some time; but being found not remunerative, they were, on the 1st of November last, increased so as about to equal the former, at the suggestion of the President. This measure, though at first causing some complaint, has been attended with satisfactory results, and has at length been generally acquiesced in, as reasonable and equitable alike to the Company and to the public.

The New-York travel from Ithaca and the towns adjacent to the Cayuga Division and Lake, has heretofore been by the way of the New-York and Erie Rail-Road. This travel will henceforth most naturally take the shorter and more direct route by our Road—a route far surpassing all others in the beauty and attractiveness of its scenery. This result cannot fail to demonstrate, as was predicted, the wisdom of that measure by which the C. and S. R. R. came under the control of this Company.

In addition to the increase thus anticipated, and from the increased population at Scranton, and elsewhere on the line, the completion of the Lackawanna and Bloomsburg Rail-Road will swell the business of this Road. It will also secure a large portion of the travel from the West and North to Philadelphia and the South, which has heretofore gone by the far less direct route by way of New-York.

It is reasonable thus to anticipate that, though constructed with particular reference to the Coal and Freight business, this Road will become also a thoroughfare for travel, equal in importance and productiveness to other Roads depending for their income mostly on the latter alone.

In anticipation of the opening of the Southern Division, a new tariff of passenger fares is now being prepared under the direction of the Board. The rates in this will be about the same as are now charged on the Northern Division, and though perhaps slightly higher than upon some other Roads, yet, in view of the very great cost of this Road, they will, it is believed, be satisfactory to the public.

Before closing this report, it may not be improper to describe briefly the methods in use in conducting the business of this office, as prescribed by the Treasurer. The tickets, having been duly prepared and numbered, are distributed to the several station agents, who report daily the sales made by them, showing the destination of the passengers and the numbers of the tickets sold; also, the amount received from the same. Similar reports are likewise made by each of the conductors, of their collections. The conductors return daily all the tickets collected by them, are compared with which the reports of the agents, and any discrepancies noted and corrected. The amounts specified in said reports are then charged to the several agents, etc.,—they remitting daily the moneys received by them to the Treasurer, or paying them to his order; whose acknowledgment therefor, at the close of the month, is the sole warrant for crediting them for the same on the books of this office. No ticket is ever issued a second time. It will be seen thus, that this plan furnishes a constant and perfect system of checks for all tickets sold. Inasmuch as it cannot, in the nature of things, apply equally to the collections of the conductors, the Company are obliged to confide, in great measure, to their integrity—a reliance which, in the case of those now employed by them, is believed to be entirely secure. The efficiency of these arrangements for the purpose in view, is satisfactorily evinced by the fact that no defalcation has ever taken place among those invested with these responsibilities. It is due to them to add also, that no Company has been more favored in respect to the fidelity and general good character of their agents and conductors than our own.

WM. N. JENKS, *General Ticket Agent.*

COMPARATIVE STATEMENT OF THE MONTHLY PASSENGER EARNINGS IN 1854 AND 1855.

NORTHERN DIVISION.					CAYUGA DIVISION.				
	In 1854.		In 1855.			In 1854.		In 1855.	
Mo's.	No. carried.	Revenue.	No. carried.	Revenue.	Mo's	No. carried	Revenue.	No. carried	Revenue.
Jan..	3,127	$2,351 77	3,656	$2,906 25	Jan..	2,461½	$1,813 60	2,186	$1,594 36
Feb..	2,861	2,163 47	2,620½	2,104 29	Feb.	2,140	1,565 98	1,413½	1,000 06
Mar.	3,744½	2,882 98	3,821½	3,165 08	Mar.	2,857½	1,969 82	2,008½	1,363 63
April	3,985½	3,272 21	4,080½	3,541 58	April	3,069	1,813 94	2,244	1,725 41
May	3,831½	3,265 99	4,257½	3,929 71	May.	2,730½	1,719 84	2,351	1,610 93
June	3 602½	3,088 20	4,047½	3,711 93	June.	2,923	2,013 05	2,148	1,524 15
July.	4,959	3,878 20	5,176½	4,177 96	July.	3,478	2,108 84	2,604½	1,766 22
Aug.	4,928½	4,098 89	4,670½	4,041 74	Aug.	3,508	2,197 16	2,572½	1,783 20
Sept.	5,049½	4,422 11	4,964	4,400 24	Sept.	3 479½	2,543 39	2,900	2,068 50
Oct..	5,314½	4,765 32	5,587½	5,163 04	Oct..	3,465	1,959 17	3,691	2,677 50
Nov.	4,460½	3,819 58	4,223½	3,499 64	Nov.	2,619	1,841 46	2,854½	1,901 99
Dec.	3,211	2,686 76	4,132½	3,398 09	Dec..	1,786½	1,302 90	2,018½	1,608 76
Total	49,125	$40,685 48	51,188	$44,039 60	Total	34,517½	$22,841 15	28,487	$20,554 76

RECAPITULATION.

	No. carried.	Revenue.
Northern Division, 1855,.....	51,188	$44,039 60
" " 1854,.....	49,125	40,685 48
Increase in 1855,.....	2,063	$3,354 12
Cayuga Division, 1854,.....	34,517½	$22,841 15
" " 1855,.....	28,487	20,554 76
Decrease in 1855,.....	6,030½	$2,286 39
Total in 1855, Northern Division,.....	51,188	$44,039 60
" " Cayuga "	28,487	20,554 76
Total, ...	79,675	$64 594 36
Total in 1854, Northern Division,.....	49,125	$40,685 48
" " Cayuga "	34,517½	22,841 15
Total,.....	83,642½	$63,526 63
Aggregate in 1855,.....	79,675	$64,594 36
" in 1854,.....	83,642½	63,526 63
Decrease in number carried, ...	3,967½	
Increase in Revenue in 1855,.....		$1,067 73

STATEMENT SHOWING THE NUMBER OF PASSENGERS TO AND FROM EACH STATION ON DELAWARE, LACKAWANNA & WESTERN RAILROAD, WITH AMT. OF REVENUE AND PASSENGERS CARRIED ONE MILE DURING THE YEAR 1855.

NORTHERN DIVISION.							CAYUGA DIVISION.						
Stations.	Passengers to	Revenue.	Stations.	Passengers fr'm	Revenue.	Passeng's one mile.	Stations.	Passengers to	Revenue.	Stations.	Passengers fr'm	Revenue.	Passeng's one mile.
Scranton,.....	13,766½	15,455 11	Scranton,.	14 906½	16,632 39	521,358	Owego,.....	11,745½	9,127 95	Owego,..	12,881½	9,782 75	333,247
C. Summit,....	1,927½	557 68	C. Summit.....	1,922½	657 79	20.928	Catatonk,.....	955	194 81	Catatonk,.....	804	169 93	5,090
Abington,.....	2,708½	1,307 56	Abington,.....	2,931½	1,566 92	47,201	Candor,.....	3,595	1,278 86	Candor,.....	3,406½	1,185 27	38,622
Factoryville,...	2,278½	1,169 54	Factoryville....	2,601	1,518 45	43,065	Wilseyvil'e,....	1,157	477 70	Wilseyville,...	1,065½	424 59	13,889
Tunkhannock,	2,520½	1,778 77	Tunkhannock,.	2,469½	1,687 48	45,847	Pugsley's,.	1,096	543 51	Pugsley's,.....	1,028	492 64	15,708
Hopbottom,....	1,823	1,075 78	Hopbottom,....	1,706	1,080 44	28.991	Upper Switch,.	132	17 85	Upper Switch,.	1	0 18	6
Oakley's,.....	1,042½	593 89	Oakley's,.....	1,114	660 09	19,229	Ithaca,.....	8,579½	7,878 16	Ithaca,.....	8,275	7,624 28	251,528
Montrose,.....	4,960½	2,878 79	Montrose,... .	4,385½	2,595 32	72,204	Cayuga,.....	1,227	1,002 19	Cayuga,.	1,075	885 44	35,644
New Milford,..	3,161½	1,180 86	New Milford,..	3,336½	1,825 32	33,710	.....	....	....	....	....	....	...
Great Bend,....	16,999	17,980 55	Great Bend,...	15,865	16,258 88	509,982	.....	....	....	.....	....	....	....
Totals, ...	51,188	43,928 03	Totals, ...	51,188	43,928 03	1,347,510	Totals,.....	28,487	20,515 03	Totals,.	28,487	20,515 03	695,284

HISTORICAL VIEW

Of the succession of Officers and Managers of the Delaware, Lackawanna and Western Railroad Company, from its original organization, as the Ligett's Gap Rail-Road Company, till 1856.

Act Incorporating the Ligett's Gap Rail-Road Company, approved April 7th, 1832. Names of Commissioners designated therein to obtain subscriptions to the Capital Stock, and organize the Company, viz.:—

Of Susquehanna County.	*Of Luzerne County.*
FREDERICK BAILEY,	HENRY W. DRINKER,
CHRISTOPHER L. WARD,	DOCTOR ANDREW BEDFORD,
PUTNAM CATLIN,	JEREMIAH CLARK,
JOHN MANN,	NATHANIEL COTTRELL,
S. MILLIGAN,	ELISHA S. POTTER,
ASA DIMOCK, JR.,	JAMES GRIFFIN,
JABEZ HYDE, JR.,	JOHN S. DRIGGS,
CHARLES FRAZER.	THOMAS SMITH.

Various Supplements to Act of Incorporation were passed in the years 1836, 1842 and 1847.

First meeting of the Commissioners to obtain subscriptions to the Capital Stock, held at Harrison, (now Scranton,) March 7th, 1849, and the amount of Stock then subscribed by 56 individuals, was 5,026 shares, at $50 each—say $251,300.

Date of Charter signed by Governor WILLIAM F. JOHNSTON, March 14th, 1849.

First meeting of Stockholders for election of Officers, held at Harrison, January 2d, 1850. H. W. DRINKER, Chairman, JOHN S. SHERRERD, Secretary.

OFFICERS ELECTED FOR 1850.

(*William H. Tripp* and *Joseph C. Platt.* Judges of the election.)

JOHN J. PHELPS, *President*
(*a*) SELDEN T. SCRANTON, *Treasurer.*
(*h*) CHARLES F. MATTES, *Secretary.*

MANAGERS.

JOHN I. BLAIR,	(*b*) JEREMIAH CLARK,	(*d*) JOSEPH H. SCRANTON,
(*g*) HENRY W. DRINKER,	(*f*) ANDREW BEDFORD,	GEORGE W. SCRANTON,
(*e*) JOSEPH C. PLATT,	DANIEL S. MILLER,	FRED. R. GRIFFIN,
	(*c*) CHARLES FULLER.	

(*a*) Resigned, March 27th, 1850; and ROSWELL SPRAGUE, of New-York, elected in his stead.
(*b*) Resigned, March 27th, 1850; and HENRY HOTCHKISS, of New Haven, Conn., elected in his stead.
(*c*) Resigned, March 27th, 1850; and JOHN HOWLAND, of New-York, elected in his stead.
(*d*) Resigned, March 27th, 1850; and WILLIAM E. DODGE, of New-York, elected in his stead.
(*e*) Resigned, March 27th, 1850; and J. B. WILLIAMS, of Ithaca, N. Y., elected in his stead.
(*f*) Resigned, March 27th, 1850; and EDWARD MOWRY, of New-York, elected in his stead.
(*g*) Resigned, March 28th, 1850; and DRAKE MILLS, of New-York, elected in his stead.
(*h*) Resigned, July 6th, 1850; and MOSES W. SCOTT, of New-York, elected in his stead.

GEORGE W. SCRANTON appointed General Agent, March 28, 1850.

OFFICERS ELECTED FOR 1851.

JOHN J. PHELPS, *President.*
ROSWELL SPRAGUE, *Treasurer.*
MOSES W. SCOTT, *Secretary.*

MANAGERS.

JOHN I. BLAIR,	FREDERICK R. GRIFFIN,	WM. E. DODGE,
DANIEL S. MILLER,	HENRY HOTCHKISS,	J. B. WILLIAMS,
GEO. W. SCRANTON,	JOHN HOWLAND,	DRAKE MILLS,
	EDWARD MOWRY.*	

*Resigned December 12th, 1851; and GEO. BULKLEY, of New-York, elected in his stead.

Supplement approved April 14th, 1851, changing the corporate name to "The Lackawanna and Western Rail-Road Company."

OFFICERS ELECTED FOR 1852.

JOHN J. PHELPS, *President.*
ROSWELL SPRAGUE, *Treasurer.*
MOSES W. SCOTT, *Secretary.*

MANAGERS.

JOHN I. BLAIR,	FREDERICK R. GRIFFIN,*	WM. E. DODGE,
DANIEL S. MILLER,	HENRY HOTCHKISS,	J. B. WILLIAMS,
GEORGE W. SCRANTON,	JOHN HOWLAND,	DRAKE MILLS,
	GEORGE BULKLEY.	

*Deceased, 1852.

OFFICERS ELECTED FOR 1853.

(*J. C. Platt* and *S. T. Scranton*, Judges of election.)

(*a*) JOHN J. PHELPS, *President.*
(*c*) ROSWELL SPRAGUE, *Treasurer.*
(*d*) MOSES W. SCOTT, *Secretary.*

MANAGERS.

JOHN I. BLAIR,	(*e*) HENRY HOTCHKISS,	J. B. WILLIAMS,
(*e*) DANIEL S. MILLER,	(*e*) JOHN HOWLAND,	DRAKE MILLS,
GEORGE W. SCRANTON,	W. E. DODGE,	GEORGE BULKLEY,
	(*b*) GEORGE D. PHELPS.	

(*a*) Resigned, February 4th, 1853; and GEORGE D. PHELPS elected, February 11th, 1853 to fill the vacancy.
(*b*) Resigned, February 11th, 1853; and JOHN J. PHELPS elected in his stead.
(*c*) Resigned, March 11th, 1853, to take effect 1st of April; and WILLIAM E. WARREN elected in his stead.
(*d*) Resigned, April 8th, 1853; and WILLIAM E. WARREN elected in his stead.
(*e*) Resigned, December 31st, 1853.

Act of Legislature, approved March 11th, 1853, consolidating the Delaware and Cobb's Gap Rail-Road Company with this Company, and designating the consolidated Company, "The Delaware, Lackawanna and Western Rail-Road Company," accepted and adopted April 8th, 1853.

THE DELAWARE AND COBB'S GAP RAIL-ROAD COMPANY.

Act of Incorporation passed April 7th, 1849. Names of Commissioners designated therein to receive subscriptions to the Capital stock, and organize the Company:—

MOSES W. COOLBAUGH,	ADAM OVERFIELD,	FRANKLIN STARBURD,
SIMON W. SCHOONMAKER,	JOHN PLACE,	JAMES H. STROUD,
THOMAS GRATTAN,	BENJAMIN V. BUSH,	RUDOLPHUS BINGHAM,
HENRY M. LEBAR,	ALPHEUS HOLLISTER,	WILLIAM NYCE, and
	SAMUEL TAYLOR.	

First meeting of Commissioners, held at the house of JACOB KNECHT, in Stroudsburg, November 28th, 1850, at which time the whole number of shares authorized by Act of Incorporation were subscribed for by 27 different individuals, and the first installment paid thereon.

Date of Letters Patent, December 4th, 1850. First meeting of Stockholders for the election of Officers, held at the house of STROUD J. HOLINSHEAD, in Stroudsburg, 26th December, 1850.

(*William Overfield, Samuel Taylor* and *Philip H. Mattes*, Judges of the election.)

OFFICERS CHOSEN.

GEORGE W. SCRANTON, *President.*

DIRECTORS.

JOHN J. PHELPS,	JOHN I. BLAIR,	HORATIO W. NICHOLSON,
WM. E. DODGE,	SELDEN T. SCRANTON,	JAMES M. PORTER,
THOS. W. GALE,	JOS. H. SCRANTON,	JAMES M. STROUD, and
L. L. STURGES,	JOS. C. PLATT,	FRANKLIN STARBURD.

First meeting of the Board of Directors, held in Stroudsburg, December 26th, 1850, at which JOHN I. BLAIR was chosen Treasurer, and CHARLES F. MATTES Secretary.

OFFICERS ELECTED FOR 1853.

(*Roswell Sprague, Henry Hotchkiss* and *W. S. Rees*, Judges of the election.)

GEORGE W. SCRANTON, *President.*

DIRECTORS.

JOHN J. PHELPS,	L. L. STURGES,	JOS. H. SCRANTON,
WM. E. DODGE,	JOHN I. BLAIR,	JOS. C. PLATT,
THOS. W. GALE,	S. T. SCRANTON,	H. W. NICHOLSON,
JAMES M. PORTER,	JAS. M. STROUD,	FRANKLIN STARBURD.

And subsequently JOHN I. BLAIR was elected Treasurer, and C. F. MATTES, Secretary.

Survey and location of route by EDWIN MCNEILL, Engineer, accepted and adopted April 13th, 1853.

Act to consolidate the Lackawanna and Western, and Delaware and Cobb's Gap Rail-Road Companies, approved the 11th day of March, 1853. Accepted, and such consolidation agreed to, April 13th, 1853.

Officers of the consolidated Companies, under the title of "THE DELAWARE, LACKAWANNA AND WESTERN RAIL-ROAD COMPANY," elected for 1854:—

(*James Suydam* and *Wm. B. Skidmore*, Judges of the election.)

GEORGE D. PHELPS, *President.*
(*b*) WILLIAM E. WARREN, *Treasurer and Secretary.*

MANAGERS.

DRAKE MILLS,	GEORGE BULKLEY,	ROSWELL SPRAGUE,
JOHN J. PHELPS,	JOHN I. BLAIR,	(*a*) THOMAS TILESTON,
WM. E. DODGE.	GEO. W. SCRANTON,	MOSES TAYLOR,

JOHN BRADLEY, of New Haven, Conn.

Geo. W. SCRANTON resigned as General Agent, March 6, 1854.
(*a*) Resigned, November 24th, 1854.
(*b*) Mr. WARREN resigned the Secretaryship, December 29th, 1854.

JAMES ARCHIBALD appointed General Agent December 29th, 1854.

OFFICERS ELECTED FOR 1855.

(*James Suydam* and *W. B. Skidmore*, Judges of election.)

GEORGE D. PHELPS, *President.*
DRAKE MILLS, *Vice-President.*
W. E. WARREN, *Treasurer.*
ANDREW J. ODELL, *Secretary.*

MANAGERS.

DRAKE MILLS,	GEORGE BULKLEY,	ROSWELL SPRAGUE,
JOHN J. PHELPS,	JOHN I. BLAIR,	MOSES TAYLOR,
WM. E. DODGE,	GEORGE W. SCRANTON,	(a) JOHN BRADLEY,
	HENRY YOUNG.	

(a) Resigned, January 5th, 1855; and SAMUEL WILLETS, of New-York chosen in his stead.

Supplement, increasing the number of Managers to fourteen, approved March 22d, 1855.

OFFICERS ELECTED FOR 1856.

(*L. L. Sturges* and *Thomas W. Gale*, Judges of Election.)

GEORGE D. PHELPS, *President.*
DRAKE MILLS, *Vice-President.*
WILLLIAM E. WARREN, *Treasurer.*
ANDREW J. ODELL, *Secretary.*

MANAGERS.

DRAKE MILLS,	GEO. W. SCRANTON,	WM. E. WARREN,
JOHN J. PHELPS,	ROSWELL SPRAGUE,	THOS M'ELRATH,
WM. E. DODGE,	MOSES TAYLOR,	SAMUEL L. MITCHILL,
GEO. BULKLEY,	HENRY YOUNG,	RUFUS R. GRAVES.
JOHN I. BLAIR.	SAMUEL WILLETS,	

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FOURTH

ANNUAL REPORT

OF THE

BOARD OF MANAGERS

OF THE

Delaware, Lackawanna & Western Rail-Road Co.

TO THE STOCKHOLDERS.

JANUARY, 1857.

NEW-YORK
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OFFICERS

OF THE

Delaware, Lackawanna & Western Rail-Road Co.

FOR 1857.

DRAKE MILLS,.....PRESIDENT.
GEORGE BULKLEY,.. *Vice-President.*
WILLIAM E. WARREN,... *Treasurer.*
ANDREW J. ODELL,.....*Secretary.*

MANAGERS.

JOHN J. PHELPS,
WILLIAM E. DODGE,
GEORGE BULKLEY,
JOHN I. BLAIR,
GEORGE W. SCRANTON,
ROSWELL SPRAGUE,
MOSES TAYLOR,
HENRY YOUNG,
SAMUEL WILLETS,
WILLIAM E. WARREN,
THOMAS McELRATH,
SAMUEL L. MITCHILL,
RUFUS R. GRAVES,
HOWELL L. WILLIAMS.

STANDING COMMITTEES.

Executive Committee.

GEORGE BULKLEY,
ROSWELL SPRAGUE,
WILLIAM E. DODGE,
RUFUS R. GRAVES,
JOHN I. BLAIR.

Finance Committee.

JOHN J. PHELPS,
MOSES TAYLOR,
SAMUEL WILLETS,
JOHN I. BLAIR,
HOWELL L. WILLIAMS.

Coal Committee.

WILLIAM E. DODGE,
SAMUEL L. MITCHILL,
JOHN J. PHELPS,
JOHN I. BLAIR,
HOWELL L. WILLIAMS.

Committee on Accounts.

HENRY YOUNG,
THOMAS McELRATH,
RUFUS R. GRAVES,
HOWELL L. WILLIAMS.

PROCEEDINGS

AT THE

ANNUAL MEETING OF THE STOCKHOLDERS,

JANUARY 22D, 1857.

AT the annual meeting of the Stockholders of the Delaware, Lackawanna and Western Rail-Road Company, held, in pursuance of public notice, at the General Office of the Company, No. 51 Wall-street, in the city of New-York, on Tuesday, the 27th day of January, A. D. 1857:—DRAKE MILLS, Vice-President, occupied the chair, and ANDREW J. ODELL acted as Secretary.

The meeting having been called to order, the Secretary read the minutes of the last previous meeting, which, on motion, were approved.

The VICE-PRESIDENT remarked that the resignation of the late President had devolved on him the duty of occupying the executive chair on this occasion, and of laying before the Stockholders a statement of the operations of the Company for the past year. He first congratulated them on the occurrence of an event since the last annual meeting, the most interesting in the history of every rail-road—THE OPENING—which took place on the 27th of May last, when the great work on which the Company had so long labored, was virtually achieved, and its final completion placed beyond contingency. He referred to the policy adopted by the Board, of stocking the Coal Depot at Ithaca to its full capacity, in the Autumn of 1855, in order that the entire

motive power and rolling stock might be available for operating the Southern Division on its opening—then expected in the month of February following. That event was delayed by a tunnel on the Warren Rail-Road, which no force that could be brought to bear on the work, could so far complete as to admit of the laying of the track to open the Road a day sooner than it was—and even then not in a condition to run heavy trains before the 1st of July last.

The Vice-President further alluded to the late opening of navigation on the Erie Oanal, the frequent breaks when opened, and the protracted interruptions to business on its Western Division which followed; that these causes combined had almost suspended the coal operations the first five months of the year, by which the mines were disorganized and the miners scattered, so that two months were required to reorganize and man them after the road was opened.

Such were the more prominent impediments to the operations the past year. They were detailed with so much particularity for the simple object of preparing the way for the Annual Report of the Treasurer, which would now be submitted. If the general result is less favorable than anticipated at the commencement of the year, he trusted it was satisfactory under the circumstances that had existed, and such as to indicate the business of the year on which they had just entered, under the ordinary favor of Providence, to be of a character to convince the most doubting that they had an enterprise worthy their best care; and that the stock of this Company would speedily be ranked in the first-class of permanent dividend-paying stocks.

The TREASURER presented a Report of the business of the past year, prefaced by some remarks on the impracticability of obtaining perfect and full statements in the short time that intervened between the close of the year and the annual meeting. The imperfection in the details of the reports *submitted to* previous meetings had been noticed, and also

the causes to which it was due. The difficulty will, of course, continue and increase, as the business increases. In this instance, the recent unprecedented storm, which had entirely suspended communication for one week, had added to the difficulty, by preventing the transmission of the necessary *data* from the various departments at Scranton. Several methods were suggested to obviate the inconvenience mentioned above as recurring yearly. Many reasons conspire to make it inexpedient to set back the beginning of the fiscal year to the 1st of December, or still earlier. The embarrassment and expense attending an application to the Legislature of Pennsylvania for a change in the day for holding the annual meeting, discourage that resort. He, therefore, respectfully submitted whether anything better can be done for the present, than to make such Exhibit at the annual meeting as is found practicable—leaving, as heretofore, the full and exact statement to be published as soon thereafter as may be; or, if preferred, to be first submitted at an adjourned meeting of the Stockholders, and then published. The imperfect reports thus made at former annual meetings had been regarded as abstracts of the matured and full reports, which have been subsequently printed under the direction of the Board of Managers. The Report of the Treasurer was then read, exhibiting the financial condition of the Company, the receipts and expenses of the transportation and coal departments, the expenditures for construction, and various other statements, the months of November and December having been partially estimated.

On motion of SAMUEL MARSH, Esq., the Treasurer's Report was accepted.

The General Agent, Mr. ARCHBALD, read a report of the practical operation of the Rail-Road and Coal Mines for the year ending 31st December last—their present capacity and condition, and the amount of motive power and number of cars on hand; also giving an estimate of the business for the ensuing year.

On motion of GEO. D. PHELPS, Esq., the General Agent's Report was accepted.

Several questions having been propounded informally to the Board of Managers, JOHN J. PHELPS, Esq., stated that they were considered proper questions to be answered at a meeting of the Stockholders; and that the answers he would give to the various questions might be considered as the answers of the Board. In reply to said questions, Mr. PHELPS then stated the terms of the existing contracts for the transportation of coal and other freight—which contracts, it was estimated, would occupy one-half of the capacity of a single track; that the policy of the Company as to the remaining capacity was yet undetermined; that it was not advisable to make any further contracts at a less price, until it was ascertained that the Company could do this and pay a dividend; that the rate charged was believed to be fair for the service performed, and as much as the coal business would warrant; that there were no contracts for the transportation of lumber; that the amount of money needed to complete the Road could not now be stated, but that it was not in contemplation at present to issue any more bonds or stock; and that no necessity existed for more officers and clerks; although, as the business extends, an additional number of the latter, will undoubtedly be wanted.

Some discussion took place relative to the change of the fiscal year, or the establishment of another day for the annual meeting, in order to allow the Treasurer ample time to make up his Report to the Stockholders from correct *data*. It having been suggested that this purpose might be served on this occasion by adjournment to some later day, it was, on motion of Mr. ROBERT,

Resolved, That when this meeting adjourns, it adjourn to meet at this place on the first Tuesday of March next, (3d,) at 12 o'clock, M., to receive the complete Report of the Officers and Managers *for the year* terminating 31st December last, previous to publication.

Mr. GEORGE D. PHELPS, in reply to a question previously asked, read a clause of the act of incorporation, prohibiting the Company from purchasing coal, when the rate of transportation of coal from Scranton to Elizabeth Port shall exceed two cents per ton per mile.

He added some remarks relative to his resignation of the office of President; and then, on behalf of Mr. JAMES S. ASPINWALL, presented the draft of a series of by-laws, for the government of the Company; which, on motion of Mr. JEREMIAH WILBUR, attorney for Messrs. GILLIATT & Co., was referred to a committee of three, to report at the adjourned meeting, on the 3d of March.

The Chairman nominated Messrs. JAMES S. ASPINWALL, JAMES BROWN and CHRISTOPHER R. ROBERT, as such committee; which was approved.

The meeting then adjourned, for the purpose of voting for Officers and Managers for the ensuing year.

DRAKE MILLS, *Chairman.*

A. J. ODELL, *Secretary.*

In pursuance of adjournment of their regular meeting, on 27th January, the Stockholders met at the general office, No. 51 Wall-street, New-York, on Tuesday, 3d March, 1857, at 12 o'clock, M.:—DRAKE MILLS, President, in the chair, and ANDREW J. ODELL, Secretary, acting as Clerk.

The minutes of the regular meeting were read and approved.

The Annual Report to the Stockholders, by the Board of Managers, was then read; and at the suggestion of Mr. GEORGE D. PHELPS, was amended by erasing the words, "was tendered by the Lackawanna Iron and Coal Company and others," and substituting therefor the words, "was ob-

tained," in the article relating to the procurement of the right of way for the "Keyser Valley Branch." On motion of Mr. GEORGE D. PHELPS, it was then

Resolved, That the blanks in said Report be filled, and that it be printed and distributed to the Stockholders, under direction of the Board of Managers.

The General Agent's Report was read, and ordered to be printed in connection with the Annual Report of the Board of Managers.

On motion—

Resolved, That, inasmuch as the Reports of the Officers and Heads of Department on the line of the Road will be incorporated in the Annual Report, and distributed to the Stockholders, the reading thereof at this meeting be dispensed with.

Mr. JOHN J. PHELPS, Chairman of the Finance Committee, submitted some calculations, based upon the business of the last six months of last year, demonstrating the success of the enterprise; explained the financial condition and prospects of the Company; and stated that it had become expedient to dispose of the balance of the "Second Mortgage Convertible Bonds," amounting to $491,500.

It having been determined to receive subscriptions from the Stockholders present, the terms were stated to be, 75 per cent. on their par value—payable 20 per cent. in cash, and the balance equally in 2, 4, 6 and 8 months. Interest calculated from 1st March instant, for which notes to be given.

The names of parties signifying their subscription on those terms were registered, and the whole amount ($491,500) was taken.

The Special Committee, of which JAMES S. ASPINWALL, Esq., was Chairman, to whom was referred the draft of By-Laws for the government of the Company, presented a written report, which was read.

The By-Laws, as reported, were then submitted, and ordered to be read, with the understanding that such articles

as were not objected to when read, should be considered adopted.

Mr. GEORGE D. PHELPS having objected to the 5th Article, proceeded to explain his reasons, in the course of which he imputed to the Officers and Managers improper management, and other delinquencies; whereupon, on motion of Mr. JOHN J. PHELPS, seconded by Mr. CHRISTOPHER R. ROBERT, it was

Resolved, That a Committee of Stockholders be appointed to investigate the charges made by Mr. GEORGE D. PHELPS, and report at a special meeting, to be called at such time as said Committee may determine.

Mr. GEORGE D. PHELPS being desired to name the members of the Committee, designated Messrs. CHRISTOPHER R. ROBERT and JAMES BROWN as two of said members; to whom the meeting added Messrs. WILLIAM S. WETMORE, JOHN E. WILLIAMS and GEORGE N. MILLER.

On motion, the report of the Committee on By-Laws was accepted.

The remainder of the By-Laws were then read, and on motion were, together with the Report, ordered to be printed, under the direction of the Special Committee by whom they were reported, in connection with the By-Laws now in force, and distributed to the Stockholders, preparatory to action thereon at the Special Meeting to be hereafter called.

Adjourned.

DRAKE MILLS, *Chairman.*

A. J. ODELL, *Secretary.*

REPORT.

In conformity with established usage, the President and Board of Managers present to the Stockholders their Fourth Annual Report; exhibiting the operations of the Company during the past year, and its present condition and prospects.

They are happy to be able to announce the opening of the Southern Division of the Road, on the 27th of May last. This auspicious event was celebrated by an excursion from the city of New-York to Scranton, on which occasion the Managers and Stockholders were honored with the presence of numerous distinguished guests, from Pennsylvania, New-York, New Jersey, and other States.*

The Board will be pardoned for expressing their great gratification with this result, which has been so long and so ardently looked for, and which has been reached only through difficulties and embarrassments of a most formidable kind. Though the Road upon this Division is not yet completed, it is sufficiently advanced to admit of constant use, and opens the whole line of the route from Elizabeth Port to Ithaca, according to the original design of its projectors. It had indeed been hoped and predicted that the event would be reached at an earlier date, but unforeseen hindrances made it impossible; the chief of which was encountered at the Vaas Gap Tunnel, on the Warren Rail-Road, near the Delaware River.

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* As an evidence of the interest felt by those in attendance on this occasion, we subjoin the following resolutions, which were unanimously adopted at a meeting held by them on their return from the excursion:—

"*Resolved*, That we have viewed with the greatest interest the magnificent and solid "works which connect New-York with a coal-field of Pennsylvania of 200 square miles in "extent, and containing a supply of coal equal to 25,000 tons per acre, and which cannot "be exhausted in centuries.

"*Resolved*, That the gratitude and thanks of the community are eminently due to the "Companies for the wisdom which planned their great avenues of transportation, and for "the energy displayed in their completion, and for the skillful and successful adaptation of "the Central Rail-Road of New Jersey to such connection and intercommunications with "the Warren Rail-Road, and the Delaware, Lackawanna and Western, as will enable those "Roads to co-operate in the great business of transportation, and thus realize the large "results so confidently and justly anticipated by the patriotic projectors of those import-"ant works, and by the public.

"*Resolved*, That, as guests of the Delaware, Lackawanna and Western Rail-Road, we "offer to that Company our sincere thanks for the pleasure afforded us on this occasion, on "which we have had high speed with entire safety, with the opportunity of observing the "*costly viaducts* and tunnels of these roads; of inspecting the various mines; of seeing "*the celebrated* Delaware Water Gap, and the Falls of Roaring Brook, and the extensive "*and picturesque views* from the summit of the Pocono Mountain, with the other scen-"*ery of unrivaled grandeur* in New Jersey and Pennsylvania."

CONSTRUCTION—RAIL-ROAD.

The following Tabular Statement exhibits the amount of expenditures in this department, during the year

RAIL-ROAD.	Northern Division.	Southern Division.	Eastern Division.	Keyser Val'y Br.	General Exp'dit're.	TOTAL.
Office Expenses and Stationery,	1,559 87	10,925 55	3,542 18	524 74		16,552 29
Engineer Department,	396 91	8,079 93	305 00	1,485 29		10,267 13
Agency,	2,028 00	470 00				2,498 00
Land, Land Damages, and Fences,	5,244 21	17,481 90	52,866 76	1,859 98		77,452 85
Grading,	66,899 98	320,777 85	10,876 37	19,319 96		417,874 16
Truss Bridges,	1,826 19	6,637 06				8,463 25
Superstructure,	4,924 60	73,379 91	18,552 19	7,498 95		104,355 65
Iron,	15,192 62	141,520 80	18,112 46	15,213 61		190,039 49
Contingencies,	40 50	8,279 76	83 57	10 00	1,050 80	9,464 13
Telegraph,	835 39	2,167 91				3,003 30
BUILDINGS.						
Engine and Car Houses,	1,023 96	5,740 80	1,203 56			7,968 32
Machine and Work Shops	1,791 68	3,243 21				5,034 89
Freight and Passenger Stations,	706 64	13,518 55	88 02			14,313 21
Water Stations and Wood Sheds,	76 64	16,645 44	104 33			16,826 41
Dwellings,			5,013 23			5,013 23
Ithaca Wharves & Docks,						
Cayuga Bridge Property						
Piers and Docks at Elizabeth Port,			52,284 41			52,284 41
EQUIPMENT.						
Office Expenses and Stationery,					6,150 00	6,150 00
Machinery and Tools for Shops,					4,521 80	4,521 80
Locomotives and Tenders					232,142 57	232,142 57
Pass'ger & Baggage Cars					4,003 28	4,003 28
Freight Cars,					106,570 82	106,570 82
Coal Cars,					116,294 40	116,294 40
Interest,		100,483 65				100,483 65
Fire-Engine,					12 88	12 88
Total,	102,547 19	729,352 32	163,032 08	45,912 53	470,746 05	1,511,590 12

The amount of Expenditures on the Cayuga Division, including $400 paid for land, was,	683 99
Expenditures in 1856,	1,512,274 11
Deduct for two Passenger and one Baggage Cars sold L. & B. R. R. Co.,	5,420 00
	1,506,854 11
Add discount on sale of $2,108,500 Bonds,	484,240 00
Total,	1,991,094 11

NORTHERN DIVISION.—The expenditures upon this Division, during the year, were mainly for the construction of embankments at the several hollows originally crossed by trestlings, all of which have been completed, and it will be seen, by reference to the Report of the General Agent, (p. 35,) that this portion of the Road, which has heretofore required a large annual outlay, may now be considered as very nearly finished.

KEYSER'S VALLEY BRANCH.—This lateral Road, extending southward from the main track at Fuller's Hollow, about 2¼ miles, and passing west of the village of Hyde Park, has been completed. The right of way for this Branch was obtained free of charge. This Road, as intimated in the last Annual Report, affords access to the coal lands of this Company lying in the rear of the "Griffin Farm" and Diamond Mines property, and furnishes important facilities for carrying forward the mining operations in that valley. The cost of this Road, as shown in the above table, was $45,912 53.

SOUTHERN DIVISION.—The track upon this Division was laid nearly a year ago, still, much remained to be done to put it in a proper condition for use. On account of this, and of the delay upon the Warren Rail-Road, heretofore mentioned, active business on this Division was not commenced until July. The Report of the General Agent shows the present condition of this portion of the Road, and the work yet remaining to be done upon it.

WARREN RAIL-ROAD.—This Road, though located in another State, and constructed under a separate charter, is, in fact, an integral portion of our line, and is properly noticed as such in this place. Its length, from the crossing of the Delaware River to its junction with the Central Rail-Road of New Jersey, at New Hampton, is $18\frac{77}{100}$ miles, which is increased by the temporary track at Van Ness Gap, $2\frac{37}{100}$ miles—making the whole length, at present, $21\frac{14}{100}$ miles.

The construction of this Road was necessary as a connecting link between the two roads mentioned; but from the peculiar natural features of the country traversed by it, became unavoidably expensive. The route is almost a continuous succession of hills and deep, broad valleys, requiring, besides two tunnels, a corresponding succession of deep cuts, and high and lengthy embankments and bridges.

In accordance with an agreement between this Company, the Central Rail-Road Company of New Jersey, and the Warren Rail-Road Company, dated January 27th, 1854, this Company engaged to furnish a portion of the means for the construction of the Warren Rail-Road, by subscribing $150,000 to its capital stock, and by guaranteeing $300,000 of its bonds. The Central Company were to take $150,000 of its stock, and guarantee, in like manner, $250,000 of its bonds. These sums, with the amount of stock taken by Contractors, and others, constituted the means for building the Road, and it was supposed would be sufficient for that purpose. It was stipulated that this Company should receive a lease of the Road when completed, and operate it as a part of their own line, paying, as rent for the same, the interest upon the cost of the Road, as represented by the stock and bonds issued.

The following table exhibits the cost of the Warren Rail-Road to December 31, 1856, including interest and discount on the sale of $568,300 of its bonds:—

RAIL-ROAD.

Office Expenses and Stationery,	$12,994 66
Engineer Department,	19,247 79
Agency,	1,888 53
Land, Land Damages, and Fences,	56,190 99
Grading,	806,758 79
Truss Bridges,	62,920 57
Superstructure,	62,315 44
Iron,	187,509 02
Contingencies,	5,408 10

BUILDINGS.

Engine and Car Houses,	1,091 46
Machine and Work Shops,	28 25

Freight and Passenger Stations,	$12,034 37
Water Stations, and Wood Sheds,	4,747 32
Telegraph	25 42
Wharves and Coal Schutes at Washington,	5,059 43
Interest,*	89,189 32
Discount on Sale of $568 300 Bonds,	67,421 72
Total	$1,394,831 18

The means of the Warren Rail-Road Company having been exhausted, and a considerable debt incurred, application was made by them to this Company for aid to enable them to complete their Road. It was therefore resolved by this Board, under sanction of the Resolution adopted by the Stockholders at the annual meeting, in January, 1856, to advance to said Company, in cash or obligations, such sums as they might need, from time to time, for said purpose, upon the requisition of their President, approved by our Executive Committee.

In pursuance of this resolution, there was advanced to that Company, for work done prior to the first of October, 1856, including one-half the cost of constructing the Delaware Bridge $73,600; in settlement for which, there was received an equal amount of their capital stock at par.

This Company having, by the joint agreement before mentioned, undertaken to pay the interest upon the cost of the Warren Rail-Road, it was deemed proper, before commencing said payments, to subject the accounts for its construction to careful examination, although it had been constructed under the superintendence of one of our own largest Stockholders, and a member of our Board from the first. Accordingly, our Finance Committee were instructed to perform this service, and the result was highly satisfactory. Their report and the resolutions thereupon adopted by the Board, are given at length on pages 27, 28 and 29.

Although this Road began to be used by us in June last, yet the work of construction has been continued upon it by that Company. They have recently made a formal surren-

* The sum here stated includes Interest on the Stock and Bonds to December 31st, 1856.

der of it to us, and the remaining unfinished work will be done under the superintendence of our own officers. Upon said surrender, the indebtedness of that Company, amounting to $116,000, was settled by our acceptances, payable at an average of six months' time. The resources of the Company for completing their Road, consist of $111,500, of their capital stock, not yet issued, (the whole amount of stock authorized by charter, being $800,000,) and $31,700 of first mortgage bonds unsold. If necessary, a further issue of bonds may be made.

By a recent contract of that Company, the construction of the Van Ness Gap Tunnel, a work of some magnitude, and of much importance to us, will be continued as fast as their means will permit.

EASTERN DIVISION.—This head, as was explained in the last Annual Report, was adopted to designate the expenditures for Depot grounds and improvements at Elizabeth Port, or elsewhere on the Central Rail-Road of New Jersey. The plan of our improvements at Elizabeth Port was also exhibited in the same report. Owing to the delay in opening the Road, the work of grading and otherwise preparing the grounds for stocking and shipping coal at this place was not commenced until late in the last season. The title to the land has been obtained, and the works are now far advanced towards completion. The expenditures on this Division during the year, including cost of land, as shown in the preceding tabular statement, were $163,032 03.

The laying of a third rail upon the Central Rail-Road to accommodate our wide-gauge cars, was finished in season for our use, and the construction of a second track of similar width is nearly completed. It would much facilitate the coal business of this Company, if broad gauge switches were furnished upon the Central Rail-Road at several points where there are markets for our coal.

GENERAL EXPENDITURE.—This head, as heretofore ex-

plained, embraces the *equipment* of the Road, and such items as are not properly chargeable to any particular division.

Our rolling stock has been increased during the year as stated in the annexed Report of the Acting Manager of the Machine and Car Shops, at Scranton.

LOCOMOTIVES,			
Of all kinds, (No. 27 to No. 58 inclusive,).....			32
CARS,			
Made by us, of all kinds,.....	527		
Purchased do., ...	182		
		709	
Deduct three Cars sold L. & B. R. R. Co.,....		3	
			706

COAL DEPARTMENT.

CONSTRUCTION.—The cost of opening mines, and erecting machinery for the same during the year, has been as follows:

Coal Lands,.....$			
Opening Mines,.....	33,046 83		
Mine Railway and Cars,.....	6,093 76		
Horses, Mules, and Harness,.....	5,435 87		
Coal-Breakers and Engines,.....	26,020 69		
Miners' Tools, Implements, &c.,....	1,411 23		
Coal-Yards and Offices,.....	176 55		
Scales, Tools, &c., for Yards,.....	47 52		
Expenses of General Office,.....	1,000 00		
Miners' Tenements,.....	763 95		
Buildings,.....	16 00		
Contingencies,.....	394 89		
	$74,407 29		$74,407 29
Deduct received for sale of lot at Bellevue,.....		$462 90	
" " " Smith lot,.....		11,230 00	11,692 90
			$62,714 39

By an act of the Legislature, approved March 22, 1855, the Company was authorized to purchase coal lands to the amount, in all, of 2,000 acres; but they have not yet availed themselves in full of this privilege. During the year, that part of our coal estate called the "Smith Lot," which was inconveniently situated for working by this Company, was sold at a considerable advance upon its cost—the difference being credited to "Coal Department Fund." The extent and capacity of the present mines of the Company will appear from the Report of the General Agent.

MINING AND COAL SHIPMENTS.—The Report of the General Coal Agent exhibits the operations in this department of our business.

The total sales during the year, amounted to 276,221 4-20 tons, producing the gross sum of.....		$955,125 81
Amount received for Rents,.....		4,538 92
Value of Coal on hand Dec. 31, 1856, (28,605¼ tons,)...		101,299 70
		$1,060,964 43
Value of Coal on hand Dec. 31, 1855, (36,932 19-20 tons,) $127,906 07		
Stock at Diamond Mines,.... 735 00		
	$128,641 07	
Sundry deductions, &c.,.....	50 00	
Total Expenses for mining, repairs of fixtures, transportation, superintendence, &c., during the year,.....	784,065 83	
		912,756 90
Showing the net revenue,.....		$148,207 53

The high character heretofore borne by our coal is still maintained in the Northern and Western markets, and it has given good satisfaction also wherever it has been introduced at the East. The demand for it in New-York and New England, during the year, greatly exceeded our ability to supply it—a demand which is likely to be increased the coming season.

TRANSPORTATION DEPARTMENT.

The Reports of the several officers connected with this Department will exhibit the operations of the same during the year:—

The gross earnings of the year amounted to	$814,575 90	
From Rents,.....	631 00	
		$815,206 90
The expense of operating and repairs of the Road, repairs of cars and machinery, superintendence, &c.,.....	$434 305 92	
Less expenditures on the Cayuga Division, for renewal of bridges and track, charged to "Account of personal property received from C. and S. R. R. Co.,".....	29,238 19	
		405,067 73
Showing net revenue,.....		$410,139 17

In consequence of the expensive character of the Road, it was deemed necessary, upon the opening of the Southern Division, to adopt a tariff of freights higher than were charged on some other Roads, and, as subsequent experience demonstrated, somewhat too high for the attainment of the largest business. Accordingly, they were, in the autumn, reduced to such rates as, while they afford a fair income to the Company, are, it is believed, entirely satisfactory to the public. In respect to passenger fares, the rates adopted seem to have been rightly graded from the outset. The amount of travel has even exceeded our expectations. The attractiveness of the scenery along this Road, together with the convenience of travel afforded by it, will, it is believed, greatly increase that amount hereafter—making it one of the most popular frequented routes in the country.

MACHINE AND CAR SHOPS, AND FOUNDRY.

The annexed Report of the Acting Manager, Mr. Marvine, shows the amount and kinds of work done at these establishments during the year.

FINANCIAL CONDITION.

The financial condition of the Company, at the close of the year, will appear from the Balance-Sheet of the Treasurer, in its proper place, page 30. The following are some of its most important items:—

1.—Capital Stock.

The amount of paid up Capital Stock, Dec. 31, 1855, was	$3,051,622 50
There has been issued during the year 1856 in payment for Locomotives and Cars, and for work done on Southern Division, &c.,	241,150 00
Still due from several Stockholders,	1,377 50
Present Capital, (65,883 Shares, at $50 each,)	$3,294,150 00
The number of Stockholders is	348
The largest amount standing in the name of any one Stockholder is 2.062 Shares, equal to	$103,100
Average to each Stockholder,	9,460

2.—General Account, Dr.

To Cost of Construction and Equipment of the Rail-Road,		$8,013,761 08
" " Coal Lands and Mining Improvements,.....		395,227 66
" " Materials on hand, including Wood for fuel, Oil, and stock of Materials at the Shops,..		134,669 31
" Value of Coal on hand, (28,605¼ tons,).....		101,299 70
" Real Estate in New-York,.....		24,181 33
" Stock of the Warren Rail-Road Company,.....		136 808 00
" " Lackawanna and Bloomsburg R. R. Co.....		134,300 00
" Bonds of do. do. do. ($50,000,) cost.....		40,000 00
" Bills and Accounts Receivable,.....		991,349 56
" Cash on hand,.....		23,417 45
		$9,995,014 09

Cr.

By Capital Stock, amount paid in,.....		$3,292,772 50
" Mortgage Bonds of 1871,.....		900,000 00
" Eastern Extension Bonds of 1875,.....		1,500,000 00
" Convertible Mortgage Bonds of 1881,.....$2,600,000		
Less on hand, unsold,..... 491,500		
		2,108,500 00
" Interest accrued on Bonds to Dec. 31, 1856,.....		94,473 06
" do. do. Capital Stock,.....		102,990 80
" do. do. Bonds & Stock of the Warren R.R.,		28,905 23
" Bills and Accounts Payable,.....		1,680,051 32
By Account of Personal property received from the C. & S. R. R.,.....$92,938 43		
Less renewals and repairs of the C. & S. R. R., in 1855,..$20,366 00		
" " 1856,..... 29,238 19	49,604 19	
		43,334 24
" Renewal Fund,.....		133,526 60
" Coal Department Fund,.....		51,896 53
" Income Account,.....		58,563 81
		$9,995,014 09

3.—Income Account, Cr.

The Balance remaining to the credit of this account, Dec. 31, 1855, was.....		$23,642 21
Net Revenue for 1856, viz.:—		
From Transportation,.....$410,139 17		
" Coal,..... ..... 148,207 53		
		558,346 70
		$581 988 91

Amount brought forward,.....		$581,988 91

DR.

To Interest on Funded Debt,...$229,087 56		
" " Floating " ... 43,231 55		
" " Capital Stock,.. 192,248 34		
	$464,567 45	
Less Interest on Cost of Southern Division for first half of the year, until it began to be productive,.....	100,483 65	
	$364,083 80	
To Rent of Warren Rail Road,.....	38,073 91	
" " Cayuga and Susquehanna R. R.,	70,000 00	
" Renewal Fund appropriation, for 1856,	51,267 39	
		523,425 10
Balance,.....		$58,563 81

4.—FLOATING DEBT.

The whole amount of outstanding bills and accounts payable, including interest on stocks and bonds, as above stated, is.....	$1,906,420 41

DEDUCT.

Bills and Accounts Receivable, including sundry advances to contractors, and others,	$955,913 76	
Materials on hand,.....	134,669 31	
Coal "	101,299 70	
Cash "	23,417 45	
Vessel Property in New-York,.....	17,016 39	
Real Estate " "	24,181 33	
Coal-Yard, 15th St., "	1,558 57	
Stock in the Warren Rail-Road Co.,.....	136,808 00	
" " Lackawanna and Bloomsburg R. R. Co.,.....	134,300 00	
Bonds " " " "	40,000 00	
Coal Department Expenses, advanced on account of business of 1857,.....	16,860 84	
		1,586,025 35
Balance of Floating Debt, (against which we have $491,500 Bonds on hand, unsold,).....		$320,395 06

5.—RENEWAL FUND.

The amount appropriated to the credit of this Fund previous to December 31, 1855, was.....	$61,893 21
To which should have been added the amount of expenditure for renewals, &c., on the Cayuga and Susquehanna Rail-Road in 1855, which were charged to Transportation Expenses for that year, instead of the " Account of Personal Property received from the Cayuga and Susquehanna Rail-Road Co.,".....	20,366 00
Appropriation from Transportation Earnings in 1856,....	51,267 39
	$133,526 60

The maintenance of the Road and its equipment has been charged to the current Transportation Expenses, and thus far we have had no occasion to draw upon this fund for extraordinary repairs—leaving it, in consequence, to accumulate for the purposes in view in its creation.

6.—Coal Department Fund.

The amount to the credit of this Fund, Dec. 31, 1855, was	$28,976 53
Appropriation from the sale of Coal Lands, (see page 18,) in place of the usual annual assessment upon the sales of coal,.....	22,920 00
	$51,896 53

No occasion has yet arisen for drawing upon this fund. The expenses incurred for opening mines, &c., have been reckoned in the ordinary expenses of the year. Still, the wisdom of the policy by which this and the Renewal Fund were established, becomes more and more apparent to the Board, as a part of those conservative measures which have been adopted as leading principles in their administration.

In our last Annual Report it was stated that application had been made for legislative authority to execute a second mortgage on the Road for $2,600,000, for the security of a new issue of Bonds to that amount; but as some delay might occur in obtaining the law, the Board had resolved to issue $1,200,000 of the amount in the shape of Convertible Income Bonds—the latter to be exchanged for the former as soon as practicable. There were taken of these by the Stockholders, on the terms specified in a circular of the Treasurer, dated Dec. 29, 1855, the sum of $482,500. The act authorizing said second mortgage passed in March, 1856, and the mortgage was thereupon executed, dated April 1, 1856, Samuel Willets and Samuel L. Mitchill being Trustees. The proposed issue of income bonds was, therefore, not made, the mortgage bonds to the above amount being substituted in their place. The balance of the bonds was offered at auction soon after the opening of the Southern Division, June 4th, and sales

were effected to the amount of $790,500. In addition to which, there were subscribed for by the Stockholders, in pursuance of resolutions of the Board of August 29 and Sept. 16, a further amount of $835,500; leaving on hand, unsold, $491,500. The wants of our Treasury will require that these remaining bonds be sold whenever a favorable opportunity shall occur; the proceeds from such sales will be sufficient for our present necessities.

The preceding statements show, that, besides paying the interest on the debt of the Company, and the rent of the Cayuga and Susquehanna and Warren Rail-Roads, and making the usual appropriation to the credit of the "Renewal Fund," the Board have been enabled to pay interest upon the capital stock, as heretofore.

In respect to future dividends, the Board feel warranted, from their experience, in predicting that the earnings will hereafter show a large and gratifying increase. If in the infancy of our business, with an unfinished road and inadequate equipment, such results have already been gained, it cannot be deemed presumptuous to expect with confidence a large and gratifying increase in the revenues of the Company, when its business shall have reached its maturity, and our full capacity for its performance shall have been attained.

Reference has been made in preceding annual reports to the policy of the Company respecting Coal Transportation. The Board see no cause thus far for departing from or altering that policy. The rates established are as high, it is believed, as the coal business will warrant, and, though less than the maximum allowed by law, such, on the whole, as to secure the largest revenue to the Company.

At the last Annual Meeting of the Stockholders, a resolution was adopted, directing that no further subscription to Capital Stock, nor endorsement of the Bonds of other Companies, be made by this Company, except such as might be necessary for the completion of the Warren Rail-Road, without

the previous approval of the Stockholders. This resolution has been complied with. The subscription made pursuant to a resolution of the Board of November 7, 1855, for $50,000, at 80 per cent., of the Bonds of the Lackawanna and Bloomsburg Rail-Road Co., to aid them in completing their Road, was settled on the 25th November last, in our acceptances, payable in three and five months, and the bonds are now in our possession.*

The distrust which pervades the community in relation to the management of Rail-Road Companies and other corporations, arising from the defalcations and abuses of trust so lamentably common during the past few years, makes it proper to advert, ere closing this report, to the manner in which the office business of this Company is conducted. All the accounts and financial affairs of the Company, and books of transfer, are subject to the constant supervision and scrutiny of the Auditing Committee—at present consisting of Messrs. Young, McElrath, Graves and Williams—who report in writing, monthly, to the Board.† The Board of Managers, while they express their own confidence in the faithfulness and fidelity of their officers, would especially invite, as do the officers themselves, the fullest examination of the affairs of the Company, by any Stockholder, to whom ample facilities for that purpose will be afforded.

The Board of Managers are proud to have been engaged

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* As this Company has now a large pecuniary interest in the Lackawanna and Bloomsburg Rail-Road, the annexed letter from the Treasurer, Mr. Pettebone, and statement of their affairs, will be interesting to our stockholders.

† The following is an extract from the last monthly Report of the Auditing Committee upon their review of the accounts of the year 1856 :—

"In concluding the examination of the Books and Accounts in the charge and under "the supervision of the Treasurer, the Committee take great pleasure in testifying to their "uniform correctness, and systematic arrangement. In the monthly discharge of their "duties, they have frequently been impressed with the united simplicity, comprehensive-"ness and facility of reference, which characterize the system of Accounts devised and "introduced by the Treasurer, Mr. Wm. E. Warren; and the purpose of exhibiting the "business of the Company, in every detail, and in the clearest possible manner, is so fully "subserved thereby, that they have deemed it proper to record in this official manner, "their satisfaction and approbation.

"The Committee also take pleasure in commending the distinctness, and peculiar neat-"ness, with which the General Book-keeper, Mr. Abrm. S. Peet, has recorded the various "transactions, and filed the numerous vouchers and papers therewith connected. These "praiseworthy features have enabled the Committee to make their examination with ease "and dispatch."

in the prosecution of an enterprise of such magnitude and public utility. From the outset, they have had the fullest confidence in its ultimate success—a confidence which they, in common with others, have ever been free to attest by the advancement of their personal means to meet the exigencies of the work. Delays, indeed, there have been, and sometimes disappointments, but these have sprung from incidents of the enterprise, wholly unavoidable, and not from the essential character of the enterprise itself. To the Stockholders they would express their thanks for their patience under the delays, and for the promptness and zeal with which they have co-operated in the work; and they beg leave to congratulate them in being able to point to a line of works so important in itself, and which ranks not least among the public enterprises that reflect honor upon our country

Respectfully submitted,

MANAGERS.

DRAKE MILLS,	MOSES TAYLOR,
JOHN J. PHELPS,	HENRY YOUNG,
WILLIAM E. DODGE,	SAMUEL WILLETS,
GEORGE BULKLEY,	WILLIAM E. WARREN,
JOHN I. BLAIR,	THOMAS McELRATH,
GEORGE W. SCRANTON,	SAMUEL L. MITCHILL,
ROSWELL SPRAGUE,	RUFUS R. GRAVES.

EXTRACTS *from the Minutes of the Board of Managers and Finance Committee of the Delaware, Lackawanna and Western Rail-Road Company, in relation to the Accounts of the Warren Rail-Road Company.*

Board of Managers, July 23, 1856. Minutes, page 461.

Whereas, by the terms of a Joint Contract between this Company, the Central Rail-Road Company of New Jersey, and the Warren Rail-Road Company, dated 27th January, 1854, provision is made for the Lease of said Warren Rail-Road to this Company; and whereas it has been recommended to said Warren Rail-Road Company to make a settlement, so far as possible, of their affairs, and submit a statement of their condition to this Board; therefore—

Resolved, That the Finance Committee of this Board be instructed to receive such statement, to ascertain and certify to its correctness, to negotiate the terms of the contemplated Lease, and prepare, for the final action of this Board, all such documents as may be necessary for completing the transfer of said Road to this Company.

Resolved, further, That said Committee be instructed to report to this Board the amount of the floating debt contracted by the said Warren Rail-Road Company in the construction of their Road, with the means in possession of said Company for its payment; and what further amount will be required beyond said means for said purpose; and to recommend suitable means for providing the same.

Finance Committee, Dec. 20, 1856. Minutes, page 58.

The object of the meeting being to receive the Report of Mr. Groves, the accountant appointed to examine the books and vouchers of the Warren Rail-Road Company, Mr. Groves appeared before the Committee, and stated verbally the result of his examination, so far as made, which was satisfactory; and on motion it was

Resolved, That Mr. Groves be requested to complete his examination, and prepare a written report of the result, to be submitted to this Committee.

Mr. J. W. Wyckoff, Treasurer of the Warren Rail-Road Company, also appeared before the Committee, by request, and explained various transactions and entries in the books, to which his attention was called.

Finance Committee, Dec. 26, 1856. Minutes, page 69.

Mr. Phelps submitted the Report of Mr. H. E. E. Groves, accountant, (page 28½, giving the result of his examination of the books and vouchers of the Warren Rail-Road Company, appended to which is a balance-sheet, taken from the books of said Company by their Treasurer, (Mr. J. W. Wyckoff,) and a list of the stockholders of said Company, according to the stock ledger kept at Belvidere; which, having been read and discussed, on motion it was

Resolved, That said Report be accepted and adopted, subject to the correction of any clerical or other errors which may have been made therein.

The Chairman presented a document,* dated December 24th, 1856, signed "The Warren Rail-Road Company, by J. I. Blair, President," surrendering the

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*The following is a copy of said Document:—

"The Warren Rail-Road of New Jersey, being now completed, according to a certain contract, dated January 27, 1854, it is now, from this date, surrendered to the Delaware, Lackawanna and Western Rail-Road Company, as stipulated by said contract—and the undersigned agrees to execute a Lease, to be approved by the Board of Directors of the Warren Rail-Road Company, so soon as the same can be prepared by counsel, as provided for in said agreement.

(Signed,) THE WARREN RAIL-ROAD COMPANY,
by J. I. BLAIR, *President.*

December 24, 1856.

Warren Rail-Road to this Company from that date, as stipulated in the contract dated January 27th, 1854, and agreeing to execute a Lease, to be approved by the Board of Directors of the Warren Rail-Road Company, so soon as the same can be prepared by counsel, as provided in said contract. On motion, said Document was accepted and referred to the Board.

Board of Managers, Dec. 26, 1856. Minutes, page 492.

Mr. Blair made some verbal statements concerning the Warren Rail-Road, and presented a written Report on its cost, &c. On motion, said Report was accepted and placed on file.

Resolved, That the thanks of this Board are eminently due, and are hereby tendered to John I. Blair, Esq., for his liberality in conveying to the Warren Rail-Road Company, free of charge, the land for depot grounds, side tracks, &c., &c., at Delaware Station; also for the valuable services rendered by him in organizing and carrying forward the measures which have resulted in the opening of said Road.

Resolved, That this Board are highly gratified to learn from the report of their Finance Committee, that the accounts and vouchers for the expenditures on said Road are found to have been kept with systematic correctness.

Resolved, That the Secretary be instructed to furnish to Mr. Blair a copy of the foregoing resolutions.

REPORT OF EXAMINATION OF THE BOOKS AND VOUCHERS OF THE WARREN RAIL-ROAD COMPANY, BY H. E. GROVES, ACCOUNTANT.

NEW-YORK, 22*d December*, 1856.

JOHN J. PHELPS, ESQ.,

Chairman of the Finance Committee of the Del., Lac. and W. R. R. Co.

SIR:—In compliance with your request, made some weeks since, that I would make a very thorough and careful examination of the Accounts, Vouchers and Books of the Warren Rail-Road Company, for the purpose of ascertaining the correctness of the same, I have now the honor to submit the following Report:—

By arrangement with the Treasurer of the Warren Rail-Road Company, Mr. John W. Wyckoff, the books and vouchers were brought by him to New-York, where I commenced the examination early in November, and have continued the same from time to time, as settlements were made with contractors and others, up to this date. Mr. Wyckoff has afforded me every facility to make the examination, and has freely, and apparently without reservation, answered all inquiries in relation to the accounts and business of the Company. The Books have been kept in a systematic manner, and Vouchers taken for all disbursements made, according to the entries therein, which Vouchers were produced by Mr. Wyckoff. and personally examined by me.

Every entry in the Books has been examined, as well as the postings from the journal to the ledger; and the additions in the journal and ledger have been proved.

The result of the whole is shown by the annexed Balance-Sheet, taken from the books by the Treasurer, which exhibits a true statement of the affairs of the Company, at this date, so far as transactions have been recorded in the books.

Very respectfully,

H. E. E. GROVES,
Accountant.

THE WARREN RAIL-ROAD COMPANY.—BALANCE-SHEET.

Page.			Page.		
3.	Construction, to October 1, 1856,	$1,276,722 41	12.	Bills Payable,	$119,529 79
14.	Bills Receivable,	3,261 90	22.	D., L. & W. Rail-Road Co.,	4,815 63
18.	Cash,	278 29	28.	Capital Stock,	688,200 00
26.	Rutter & Dupuy,	5,532 62	39.	Interest on Capital Stock, due June 30, 1856	322 46
34.	Team and Horse Account,	707 23	30.	John W. Wyckoff,	240 95
40.	Interest on Capital Stock, September 30,	87	303.	Mortgage Bonds,	568,300 00
42.	John I. Blair,	5,793 95	500.	John K. Wyckoff,	500 00
43.	Interest Account,	86,535 27	505.	Hugh and Andrew Miller,	170 00
400.	John G. Johnston,	630 32	514.	J. A. & A. J. Skinner,	254 05
405.	A. E. Menardi,	7 08			
406.	Patrick Mooney,	6 34			
406.	John Spallen,	46 77			
504.	Samuel L. Taylor,	30 00			
504.	Cornelius Stewart,	1,550 00			
505.	C. T. Shelton, (N. A. Stone Dressing Co.,)	554 83			
509.	Imla Drake,	300 00			
510.	Victor Castnor,	50 00			
512.	Turning Lathe,	325 00			
		$1,382,332 88			$1,382,332 88

E. E. BELVIDERE, N. J., *December* 22, 1856.

(Signed,) JNO. W. WYCKOFF,
Treasurer.

The above is the Balance-Sheet referred to in the preceding Report.

(Signed,) H. E. E. GROVES.

THE DELAWARE LACKAWANNA AND WESTERN RAIL-ROAD COMPANY.

BALANCE-SHEET, DECEMBER 31, 1856.

PAGE.				
10.	To CONSTRUCTION,			
	Amount to December 31, 1855, as per last Annual Report, page 30,	$6,022,666 97		
	Expend's in 1856, as stated on page 18,	1,991,094 11		
				$8,013,761 08
195.	" COAL DEPARTMENT—CONSTRUCTION,			
	Amount to Dec. 31, 1855,	$332,518 27		
	Expenditures in 1856, (see page 18),	62,714 39		
				395,227 66
5.	" CASH.—Amount on hand,			23,417 45
	" MATERIALS ON HAND,			
63.	Wood Account,	$35,798 34		
128.	Machine Shop, (Scranton,)	84,280 98		
133.	Materials purchased,	879 46		
142.	Oil Account,	1,304 33		
209.	Ithaca Shop,	4,686 91		
212.	Fuel Account, (Cayuga Division,)	8,219 29		
				134,669 31
150.	" COAL ACCOUNT, 1857,			
	28,605¼ tons of coal on hand,			101,299 70
86.	" BILLS RECEIVABLE,			
	Total, due at various dates,			569,354 92
	" ACCOUNTS RECEIVABLE,			
78.	George W. Scranton, General Agent,	$3,650 24		
91.	J. J. Albright, General Coal Agent,	24,757 20		
110.	Horatio W. Nicholson,	660 63		
119.	Cayuga and Susquehanna R. R. Company,	2,934 90		
158.	Lackawanna R. R. and Coal Company,	5,322 75		
162.	Warren R. R. Company,	151,548 61		
201.	Reuben A. Henry, General Freight Agent,	7,270 66		
240.	The U. S. Post Office Department,	3,281 76		
260.	Coal Ledger, due from sundry persons,	15,849 18		
	Miscellaneous Accounts,	171,282 91		
				386,558 84
71.	" COAL DEPARTM'T EXP'S advanced on ac't of 1857,			16,860 84
250.	" VESSEL PROPERTY IN NEW-YORK,			17,016 39
403.	" REAL ESTATE IN NEW-YORK,			24,181 33
405.	" STOCK OF THE WARREN R. R. CO.,			186,808 00
407.	" STOCK OF THE LACK'A & BLOOMSB'G R. R. CO.,			184,300 00
409.	" BONDS OF THE LACK'A & BLOOMSB'G R. R. CO., ($50,000,)			40,000 00
500.	" COAL YARD, 15TH STREET, NEW-YORK,			1,558 57
				$9,995,014 09

PAGE.				
2.	By CAPITAL STOCK,			
	65,848 Shares paid in full,	$3,292,150 00		
	40 " on which has been paid,	622 50		
	60,888 "			$3,292,772 50
401.	" MORTGAGE BONDS OF 1871,			900,000 00
399.	" EASTERN EXTENSION BONDS, of 1875,			1,500,000 00
401.	" CONVERTIBLE MORTGAGE BONDS OF 1891,	$2,600,000 00		
	Less amount on hand,	491,500 00		
				2,108,500 00
25.	" BILLS PAYABLE,			
	Total, due at various dates,			1,142,888 50
	" ACCOUNTS PAYABLE,			
102.	Loan Account,	12,000 00		
104.	Notes Receivable Discounted,	262,765 83		
	" INTEREST ON MORTGAGE BONDS, 1871,			
509.	Payable January 1, 1857,	$31,500 00		
507.	" previous to " "	70 00		
		31,570 00		
	" INTEREST ON EASTERN EXTENSION BONDS, 1875,			
493.	Payable April 1, 1857,	$26,250 00		
	" previous to Jan. 1, 1857,	1,487 50		
		27,737 50		
	" INTEREST ON CONV'LE MORTGAGE BONDS, 1881,			
493.	Payable March 1, 1857,	$34,750 24		
	" previous to Jan. 1, 1857,	415 32		
		35,165 56		
	" INTEREST ON STOCK,			
286.	For 6 months ending Dec. 31, 1856, $97,786 66			
	Balance due previously,	5,204 14		
		102,990 80		
				473,229 69
	" RENT OF WARREN RAIL-ROAD,			
	Accrued to Dec. 31, 1856,			28,905 23
	" MISCELLANEOUS ACCOUNTS,			261,901 99
596.	" ACCOUNT OF PERSONAL PROPERTY RECEIVED FROM C. & S. R. R. CO.,			43,334 24
501.	" COAL DEPARTMENT FUND,			51,896 52
502.	" RENEWAL FUND,			133,526 60
194.	" INCOME ACCOUNT, per Exhibit "A"			58,563 81
				$9,995,014 09

(E. E.) WM. E. WARREN, *Treasurer.*

EXHIBIT "A."—INCOME ACCOUNT, 1856.

CREDIT.

By Balance as per last Annual Report, page 81,							$32,642 21
" Net Revenue in 1856, viz:							
From Transportation, per Exhibit "B."						$410,139 17	
" Coal, per Exhibit " C,"						146,307 53	
							556,446 70
							$561,088 91

DEBIT.

To Interest on Funded Debt,						
on $900,000 Mortgage Bonds of 1871,			$63,000 00			
on $1,500,000 Eastern Extension Bonds of 1875,			105,000 00			
on $2,108,500 Convertible Mortgage Bonds of 1851, as follows, viz:—						
3 months' Interest, from Jan. 1 to April 1, on $482,500,	$8,443 75					
5 " " " April 1 to Aug. 31, on 1,237,000,	37,129 17					
	$45 572 92					
Less received from the purchasers of above,	19,235 60					
		$26,337 32				
Amount issued previous to 1st Sept., 1856, $1,237,000						
" on 1st October, 1856, 335,500						
4 mos. Interest accrued from 1st Sept. to 1st Dec., on $2,108,500	$42,196 32					
Less received from purchasers of $815,000	14,448 09	34,750 24	61,087 56	229,087 56		
To Interest on Floating Debt.						
Total Interest—Balance on Floating Debt,			$59,810 04			
Less received on Warren R. R. Co. Stock,		$9,061 75				
" " Lackawanna and Bloomsburg R. R. Co. Stock,		7,046 74	16,078 49	43,231 05		
To Interest on Capital Stock.						
Amount for 6 months to 30th June, 1856,			$94,461 68			
" " 31st Dec., " (payable 20th Feb., 1857,)			97,786 66	192,248 34		
				$464,567 45		
Deduct Interest on cost of the Southern Division of Rail-Road for first half of the year till the same became productive, it being added to the Construction account of said Division, as authorized by the sixth section of the Act of Consolidation,				100,483 65		
					$364,083 80	
To Rent of Warren Rail-Road—Interest on Bonds of Warren Rail-Road Co., 5 months, on $600,000, from 1st August to 30th December,				17,500 00		
Int. on Stock of Warren R. R. Co., 8 mos. to Sept. 30, 1856,			$8,530 41			
" " " " additional, accrued to Dec. 31, 1856,			12,048 50	20,578 91		
					38,078 91	
To Rent of Cayuga and Susquehanna Rail-Road,					76,000 00	
To Renewal Fund—Amount appropriated from Transportation Earnings in 1856,					51,267 39	
						522,426 10
Balance,						$38,662 81

EXHIBIT "B."

TRANSPORTATION, 1856.

To Transportation Expenses: cost of operating, repairs of road, repairs of machinery, superintendence, prop. expenses Gen'al Office, &c., &c.,	$405,067 78	By Passenger Earnings,	$122,960 79
" Income Account—apparent profits for the year, - -	410,139 17	" Freight "	678,160 45
		" Transf'n of Mail,	6,343 97
		" Use of Locomotives,	2,597 98
		" " Cars,	2,411 93
		" Storage,	100 78
		" Rents,	631 00
	$815,206 90		$815,206 90

EXHIBIT "C."

COAL ACCOUNT, 1856.

To Value of Coal on hand Dec. 31st, 1855. 36.983 tons,	$127,906 07	By Coal Sales, viz.:		
" Value of 1,470 tons stocked at Diamond Mines, Dec. 31, 1855,	735 00	January,	$20,662 91	
" Coal Department Expenses, including mining, transportation, coal purchased, superintendence, agents and clerks, use of coal cars on connecting roads, taxes, repairs, prop. expenses General Office, &c., &c.,	784,065 83	February,	16,598 27	
		March,	17,215 26	
		April,	17,621 00	
		May,	49,432 12	
		June,	86,474 05	
		July,	115,468 32	
		August,	133,768 75	
		September,	153,172 25	
		October,	145,056 18	
		November,	122.648 41	
		December,	72,018 29	
" Sundry Deductions,	50 00			$955,125 81
" Income Account,—apparent profits for the year,	148,207 58	By Rents,		4,538 92
		" Coal on hand Dec. 31, 1856, 28,605 5-20 tons, val'd at		101,299 70
	$1,060,964 43			$1,060,964 43

COAL TONNAGE ACCOUNT, 1856.

1856.	*Mined.*	*Purchased.*	*Total.*	*Grand Total.*	1856.	
Jan. 1st, To amount on hand, this date.....				86,932 19	By Sales of Coal, viz.:	
January, ...	5,326 13	2.658 17	7,980 10		January,.... 6.335 07	
February,..	4,480 16	2,632 01	7,112 17		February,.. 4,602 06	
March,.....	4,095 05	2,595 19	6.691 04		March,..... 4,821 03	
April, ...	5,645 03	2,676 09	8.321 12		April, ... 4 665 09	
May, ...	8,617 17	4,284 04	12.902 01		May, ...14.823 03	
June,.....	11,914 06	8,033 04	19,947 10		June,.....25,492 16	
July,.....	16,169 15	9,898 03	26.067 18		July,.....33.558 18	
August,....	18,641 17	15,960 04	34.602 01		August,.....39,792 09	
September,.	19,070 06	17,367 16	36,438 02		September, .44.212 16	
October,....	17,911 14	20,983 01	38,894 15		October, ...41,766 08	
November, .	17.568 06	17,559 18	35,127 04		November,..37.557 11	
December,..	15,590 01	18,217 15	33.807 16		December,..19,092 18	
				267,893 10		276,221 04
	145,031 19	122,861 11			By Stock on hand, Dec. 31, 1856.	
					At Ithaca,.. 7,378 07	
					"Great Bend 556 05	
					" Scranton,. 2,452 14	
					" Eliz'port, 15,582 18	
					" Manhat'n Yard, N.Y., 2,685 01	28,605 05
			Tons,	304.826 09		Tons, 304.826 09

THE DELAWARE, LACKAWANNA AND WESTERN RAIL-ROAD COMPANY.

Summary of Liabilities and Assets at the Several Dates Stated.

LIABILITIES.	Decemb'r 31, 1852.	December 31, 1853.	December 31, 1854.	December 31, 1855.	December 31, 1856.
Capital Stock,	$1,429,350 00	$1,958,507 50	$2,865,175 24	$3,051,000 00	$3,292,772 50
Funded Debt,	900,000 00	900,000 00	900,000 00	2,400,000 00	4,506,500 00
Bills Payable,	381,223 93	110,084 10	668,618 87	1,187,472 74	1,148,868 50
Accounts Payable,	89,871 89	114,763 11	172,202 28	298,892 04	580,002 06
Interest on Bonds,	31,640 00	31,500 00	31,745 00	59,266 71	123,873 29
Interest on Stock,		70,247 03	81,154 27	96,614 48	102,990 80
Renewal Fund,				61,893 21	133,526 60
Coal Department Fund,				28,976 58	51,996 58
Balance to the Credit of Income Account,	$2,782,085 82	$3,185,051 74	$4,733,890 66	$7,133,615 71	$9,986,450 28
		32,896 66	105,381 15	23,642 21	58,563 81
	$2,782,085 82	$3,217,948 40	$4,839,271 81	$7,207,257 92	$9,995,014 09
ASSETS.					
Construction, (R. R. and equipment,)	$2,338,087 63	$2,737,839 45	$4,140,315 77	$6,022,666 97	$8,018,761 03
Coal Department—Construction,	121,993 34	145,422 01	244,622 07	332,513 27	395,227 66
Materials on hand at Shops,	45,865 46	39,691 69	60,927 11	76,631 52	90,651 68
Wood on hand,	15,130 45	11,444 43	8,990 09	9,148 88	44,017 63
Coal on hand,	86,553 99	9,117 15	24,172 05	128,641 07	101,299 70
Bills Receivable,	192,646 40	126,756 38	68,447 06	112,108 22	569,354 92
Accounts Receivable,	20,967 54	57,641 96	131,822 57	178,945 89	421,994 64
Cash on hand,	10,891 01	90,035 38	13,593 38	41,471 27	24,417 45
Capital Stock of other Companies,			131,381 76	280,950 00	271,108 00
Real Estate in New-York,				24,181 38	24,181 38
Bonds of other Companies, ($50,000,)					40,000 00
	$2,782,085 82	$3,217,948 40	$4,839,271 81	$7,207,257 92	$9,995,014 09

THE DELAWARE, LACKAWANNA AND WESTERN RAIL-ROAD COMPANY.

STATEMENT SHOWING THE EARNINGS AND EXPENSES OF THE TRANSPORTATION DEPARTMENT, THE REVENUES FROM THE COAL DEPARTMENT, AND OTHER SOURCES, IN EACH YEAR.

	Transportation Department.			Coal Department.	Other Sources.	Total.	
Year.	Earnings.	Expenses.	Net Revenue.	Net Revenue.	Total Amount.	Amount of Net Revenue.	
1853.....	$191,920 61	$95,633 65	$96,286 96	$73,739 16	$1,042 40	$171,068 52	
1854.....	267,405 39	127,809 95	139,595 44	140,808 57	8,467 76	288,866 77	
1855.....	528,911 24	269,647 90	259,263 34	167,105 13	7,815 51	434,183 98	
1856.....	815,206 90	405,067 73	410,139 17	148,207 53		558,346 70	

STATEMENT SHOWING THE AMOUNT OF INTEREST PAID ON DEBT AND STOCK, AND CONTRIBUTIONS TO THE RENEWAL FUND AND COAL DEPARTMENT FUND IN EACH YEAR.

Year.	On Floating Debt.	On Bonds.	On Capital Stock.	Rent of Other Roads.	Contributions to Renewal Fund.*	Contributions to Coal Dep't Fund.*	Total.
1853.....	$4,924 83	$63,000 00	$70,247 03	——	——	——	$138,171 86
1854.....	7,730 79	63,000 00	140,151 49	——	——	——	210,882 28
1855.....	41,454 97	132,875 16	180,723 05	$70,000 00	$61,893 21	$28,976 53	515,922 92
1856.....	43,231 55	229,087 56	192,243 34	108,073 91	51,267 89	22,920 00	546,845 10†

* For the objects of these Funds, see Second Annual Report, (January, 1855,) pp. 24 and 25.

† Of the whole amount paid this year, ($646,828 75,) the sum of $100,488 65, being the Interest on the Southern Division for the first half of the year, until the Road was ready for business, was charged to the Construction Account of that Division.

GENERAL AGENT'S REPORT.

THE DELAWARE, LACKAWANNA AND WESTERN R. R. COMPANY,

SCRANTON, *January* 23, 1857.

DRAKE MILLS, ESQ.,

Vice-President Delaware, Lackawanna and Western R. R.

DEAR SIR:—The following Report being intended mainly for the information of the Stockholders, I have aimed to place before them, as briefly as possible, the present condition of the Company's works, and preparation for future business, referring for more minute details to Reports of the several Departments, commencing with the

COAL DEPARTMENT.

The Company have, during the year, resumed the entire control of their own Mines, which, therefore, can now be worked more in accordance with the convenience of the Rail-Road and wants of the market.

These Mines are now in condition to deliver one thousand tons per day, should this amount be required.

Other parties, from whom we purchase Coal, have contracted to deliver during the year, an aggregate of half a million tons. And, in addition, the Lackawanna Rail-Road Company and the Union Iron and Coal Company expect each to send one hundred thousand tons more; making a total, including our own Mines, exceeding one million of tons, which we would remove if prepared to transport it. There need not, therefore, be any fear, or even doubt, of a full supply of Coal.

Notwithstanding this, I believe it to be our best policy to carry forward to completion the work now in progress for increasing our ability of supply, as a liberal provision in this respect may prevent derangement of our business, should other parties fail to perform. It will also be found to have a good effect in regulating the price of what we have to purchase.

At the commencement of 1856, the work in progress for opening Coal was one Slope, one single and one double Shaft. The Slope is now finished, and in good working condition. The single Shaft is finished down to the Coal—machinery complete, and gangways commenced; can soon deliver Coal. The double Shaft is still in progress, and will be put in working condition during the year. This Shaft is intended to work two seams, and, when in operation, can deliver 600 tons per day. In addition to this, we have made two Gang-

ways into an upper Coal, (of good quality, six feet in thickness.) This Coal is all above water level, and therefore profitable to work. It must be taken out before the lower Coals; otherwise we will find it difficult, if not impossible, to mine it.

The estimate of expenditure to complete what I would deem necessary during the year, will probably be $70,000.

In my last report I adverted favorably to the comparative quality of our Coal. In evidence of which, we have sold during the year twenty-one thousand tons along the line of the Morris Canal, and much more would have been sold if the sizes wanted could have been supplied. I consider, therefore, as certain, that our Coal will soon successfully compete with the Lehigh for general use.

Having established beyond all reasonable doubt that the supply of Coal will be ample, it becomes important to ascertain how much can be sold and sent to market in 1857. There has been sold West and North the past year 188,000 tons; we may, therefore, safely say that this market will require 200,000 tons in 1857. This amount can readily be supplied, and may, therefore, be assumed as certain.

The Eastern market, however, is more difficult to estimate, and therefore I assume that we can sell all that we can transport over the Southern Division of our Road. Taking, therefore, into consideration such aid as we shall get from portions of the second track now in progress, and the telegraph line which is completed, we shall be able to send East some half a million of tons. Including what is sent by the Lackawanna and Union Companies our Coal business for the year, East and West, will be 700,000 tons. This may appear a small estimate; but it must be kept in view that, in addition, we are doing a large freight business, which in 1856 amounted to some 130,000 tons, exclusive of coal: and this year it will in all probability reach 200,000 tons.

The Passenger business occupies also a portion of the capacity of the Road, so that, all things considered, the estimate of Coal transit is not so small as may appear at first sight.

The gross Revenue from Passengers in 1856, is	- -	$122,984 99
Estimated amount for do. in 1857,	- -	180,000 00

Having hastily glanced at the amount of business that we expect to accomplish during the present year, I will proceed to describe, in general terms, the condition of the several Divisions of the Road that this traffic has to pass over.

1st.—CAYUGA AND SUSQUEHANNA.

This Division is in better condition than it was in 1856—all the Bridges having been rebuilt upon an improved and more durable plan. A new and enlarged Piling-ground, together with increased facilities for the loading of boats, has been constructed at Ithaca since the close of navigation; so that this Division *could do a much* larger business than will be required from it.

2D.—NORTHERN DIVISION.

This has also been improved during the year by the filling up of all the trestlings with earth; thus making a permanent and safe road-bed. Three and a half miles of old rails have been taken up, and replaced with new ones of larger pattern—thus finishing the distance from Scranton to Clark's Summit (seven miles) with a track of the most permanent kind, where most used and wanted. The drainage of the road-bed upon this Division has been put in very good condition, and two and a half miles of switch-track has been added during the year—making in all fifteen (15) miles; this, however, includes the switches at Great Bend, Scranton, Diamond Mines, &c. &c. This Division has, therefore, all necessary facilities for doing its business with economy and dispatch. It may be proper here to suggest, that, in view of the work that will still have to be done to these embankments, after the Spring rains has settled them, it might be advisable to make an appropriation of ten thousand dollars, to finish up the construction account of this Division, so that for all future expenditures the Board would make special provision.

3D.—KEYSER VALLEY BRANCH.

This Branch has been constructed during the year, and connects the Hampton and other Mines with the Northern Division. It is now in good working condition. Its length is about three miles. The coal from these mines is of very good quality, and is conveniently situated for the Western market.

4TH.—SOUTHERN DIVISION.

This Division is sixty-four miles in length, extending from Scranton to the Delaware River. The Bridges, Tunnels, Culverts, &c., are all constructed for double track, and the road-bed is also far advanced towards completion, with reference to the same result. This portion of your Road has always been looked upon as destined to become the great avenue of transit from the Coal-fields of the Lackawanna and Wyoming Valleys to tide-water. And hence great pains have been taken to make it one of the best Roads in the country.

At this time one track is so far finished that it is in very good condition, the superstructure being laid upon a foundation of broken stone, or gravel, and well ballasted. The iron rails weigh 75 lbs. per yard. Six miles of the second track is laid, extending from Scranton to Greenville; while six and one-half miles more is put down at different points, as switches for the passing of trains. In all twelve and a-half (12½) miles of the second track is in a measure finished. There are iron rails and cross-ties purchased for twenty-five miles more of this second track, which we hope to lay down during the summer.

Under all the circumstances, therefore, and in view of the great amount of tonnage that will press to market faster than we can provide for it, there can, it seems to me, be but one opinion in reference to finishing the second track the whole of the way, whenever the Company can provide the means without too much sacrifice.

5TH.—THE WARREN RAIL-ROAD.

This Road being now in the control of this Company, it is proper here to say, in reference to its condition, that full one-half is ballasted with gravel and broken stone, and is in good order. That portion not ballasted will require this to be done as early in the spring as the season will permit.

More switch room will be necessary along this Road, for the convenient passing of trains, more particularly at its junction with the Central Railroad of New Jersey. Here we have a turn-table, and engine-house with six stalls, and a commodious boarding-house for the men employed upon the trains. There is still wanted a small work-shop, (which will be attached to the engine-house,) for the repairs of engines and cars, as also a passenger-car house. And, in connection with the Central Company, there needs to be built a convenient Dépôt, where passengers can be kept with comfort in the event of missing a connection with the trains.

At Washington, upon the Morris Canal, we erected some schutes, for the loading of boats from the cars. But inasmuch as our business is expected to be enlarged at this point, it is intended to construct, during the coming spring, a piling-ground similar to that at Ithaca, with the addition of pockets, from which boats can be loaded with dispatch, as we find this an important inducement for them to stop and take in loading. The sales for the year at this point are estimated at from thirty to forty thousand tons.

6TH.—ELIZABETH PORT.

Here we have completed the three Piers that were in progress in 1855, and, in addition, are preparing a large deposit ground, to prevent the delay of cars when vessels are not on hand. It is anticipated that these provisions will be sufficient for the business of 1857. But as this will be largely increased the coming year, it may be found necessary to construct another pier during the summer.

ROLLING STOCK.

For the details of this portion of our business, see the Report of Mr. Marvine, Acting Manager of Machine and Car Shops and Foundries.

The number of engines and cars now on hand, together with those in progress of construction, will be equal to the accomplishment of all the business that is contemplated.

I have thus given, as briefly as possible, a general view of the condition of the Company's Works, and their capacity for the business we intend to do. The views expressed are mainly concurred in by the present Superintendents, and we hope to show that they may be relied upon.

Respectfully submitted,

JAMES ARCHBALD,

General Agent.

GENERAL COAL AGENT'S REPORT.

THE DELAWARE, LACKAWANNA AND WESTERN RAIL-ROAD CO

OFFICE,—COAL DEPARTMENT,
Scranton, January 20, 1857.

JAMES ARCHBALD, Esq., *General Agent.*

SIR:—I submit the following Report of the business of the Coal Department for the year 1856:—

DIAMOND MINES.—These mines have been worked by Mr. Thompson Peckens, under his contract, up to the first of September, when it became necessary for the Company to take possession of them. Since then, they have been worked, on Company's account, in a satisfactory manner. The yield for the year has been 108,794[13] tons.

The construction of the No. 2. or Double Shaft, has not been pushed with any degree of rapidity, as there was no immediate necessity for doing so; nor did the Managers urge its early completion.

The "C.," or 5 feet Vein of Coal has been opened above water level, by two drifts, both of which we are now working. This coal is of good quality, and is run to the old Crackers without hoisting, and is there broken, and screened. We are now prepared to do a considerably increased business at these mines.

The entire expenditure at the Diamond Mines, on Construction Account, has been $38,461 26, including amounts paid for mules, implements, &c., necessary for working the mines on Company account. The estimated expenditure for the current year, 1857, is $57,000. This amount is calculated to cover the whole expense to be incurred in finishing the No. 2 Shaft, and to pay for all the mine-cars, mules, &c., that will be needed for an increased business.

BELLEVUE MINES.—These mines have been worked on Company account, as heretofore, and 36,237[6] tons have been sent to market from them. The No. 1 Shaft and Coal-breaker have been completed. We are now driving the headings for mining. The entire expenditure chargeable to Construction Account has been $37,285 88. The estimated cost for 1857 is $9,000, including amount required for mules, mine-cars, strap-rails, &c.

We are now exploring the "E," or Diamond Vein of Coal, by boring, &c., and it may be desirable to commence the mining of this Vein during the year. Should this be done, the above estimate must be increased by an amount sufficient to pay for the necessary openings, machinery, &c.

COAL PURCHASED.

There has been received, during the year, as follows:—

From	Clark's Mines,.....	tons,	59,749.05
"	Swetland's Mines, (Lewis & Howell, Contractors,)....	"	20,942.17
"	New-York and Pa. Coal Co. Mines,.....	"	14,037.17
"	Luzerne Coal Co. Mines,.....	"	22,215.02
"	Hampton Mines, (G. H. Coursen,).	"	5 674.04
"	National Anthracite Coal Co. Mines,.....	"	242.06
		"	122,861.11

RECAPITULATION.

From purchased as above,.....tons,		122,861.11
Coal mined by the Company, viz.:—		
From Diamond Mines,.....	108,794.13	
" Bellevue "	36,237.06	
		145,031.19
Total,..... "		267,893.10
Total, in 1855,..... "		188,865.09
Equal to an increase of 42 per cent.,..... "		79,028.01

SALES AND STOCK REMAINING ON HAND.

The Stock of Coal on hand, December 31, 1855, was,.....tons,	36,932.19
Amount (as above) forwarded in 1856,.....	267,893.10
	304,826.09
Of which there was sold and delivered,.....	280,508.01
Leaving Stock on hand, December 31, 1856,.....tons,	24,318.08

The Coal sold as above was delivered as follows:—

At Scranton, and on the line of the Northern Division,.....	17,200.07
" Binghamton, for supply of points on Chenango Canal,.....	51,665 08
" Ithaca—(for Rochester, Buffalo, &c. &c.,).....	84,986.18
" Various points on N. Y. & E., and connecting roads,.....	33,881.19
" Elizabeth Port,.....	64,109.07
" Washington Basin, on Morris Canal,.....	21,558.08
" Line of Southern Division and Central R. R. of N. J,.....	7,105.14
Total,.....	280,508.01
Total, in 1855,.....	160,714.15
Increase,.....	119,793.06

More Coal could readily have been mined, sent off, and sold, if facilities for its transportation had been more ample, particularly from the Company's mines.

The sales of our Coal to the North, and West, as compared with those in 1855, have increased equal to 17 *per cent.*, and would readily have reached the estimate made in my former report, of 25 *per cent.*, had it not been for the delay in boating, during the early part of the season, caused by the extraordinary detention on both the Erie and the Chenango Canals. I have good reason to believe that had it not been for these difficulties, we would have exceeded the estimate then made. Our sales in this direction, for 1857, may be set down at about 210,000 tons.

It is with renewed pleasure I am able to state that the collections have been made with the usual promptness, and it must be gratifying to the Company to know, that we have met with no losses, save for a very few car loads.

The farms and tenements of the Company, in my charge, have been rented, upon satisfactory terms, and have been kept in good condition and repair.

Further contracts for the purchase of Coal have been made during the year which, with former contracts, and the increased supply reasonably expected from the Company's mines, together with that which will be forwarded by parties on private account, will furnish a quantity adequate to the supply of the market.

Respectfully yours,
JOS. J. ALBRIGHT,
General Coal Agent.

Statement of SCRANTON COAL *sent to market, and the Mines from whence received, in each year, on account of the Delaware. Lackawanna, and Western Rail-Road Company.*

Year.	Company's Mines.	Lackawanna Iron and Coal Co.	Sweet land Mines.	Clark's Mines.	New York and Penna. Co	Luzerne Co.	Hampton Mines.	National Anthracite Co.	Total.
1851	.....	6,000	.....	.....	.....	.....	.....	.....	6,000
1852	65,825	1,662	.....	.....	.....	.....	.....	.....	67,487
1853	69,042	21,891	6,425	.....	.....	.....	.....	.....	97,358
1854	97,240	28,598	2,920	5,867	.....	.....	.....	.....	133,965
1855	117,367	19,750	.....	51,748	.....	.....	.....	.....	188,865
1856	145,032	.....	20,943	59,749	14,038	22,215	5,674	242	267,893
Total.	494,506	77,841	30,188	116 964	14,038	22,215	5,674	242	761, 568

REPORT OF SUPERINTENDENT OF CAYUGA DIVISION.

DELAWARE, LACKAWANNA AND WESTERN RAIL-ROAD.

TRANSPORTATION DEPARTMENT.

OFFICE SUPERINTENDENT OF CAYUGA DIVISION,
Ithaca, N. Y., January, 1857.

TO JAMES ARCHBALD, Esq., *General Agent.*

SIR:—The general characteristics of this Division remain the same as last year.

No extensions have been made during the year in main or side tracks.

The whole number of passengers carried is 24,495; of whom 12,452½ were carried northward, and 12,042½ were carried southward

Total carried one mile, 574,349.

The whole amount of freight, of all kinds, transported is 75,988 tons; of which 65,708½ tons were carried northward, and 10,280 tons southward.

Total number of tons carried one mile is 2 359,922.

The revenue derived from transportation during the year is as follows, viz.:—

From Passengers	$19,571 71
" Freight and Express,	65,407 83
" Mail,	1,825 00
" Storage,	6 32
" Rents,	623 00
Total,	$87,433 86

For more minute details respecting the Freight and Passengers transported, reference is made to the Reports of the General Freight Agent, (page 53,) and General Ticket Agent, (page 60.)

The transportation expenses for the year have been as follows:—

Office and Station Expenses,	$6,297 38
Cost of Running,	19,621 94
General Expenses	3,439 98
Repairs of Engines and Cars,	10,457 11
" of Track and Roadway,	41,804 97
" of Buildings,	295 04
Miscellaneous,	3,875 39
Total,	$85,791 81

The foregoing statement presents the expenses, in aggregate, of transportation; but, inasmuch as the business of this Division is more or less mingled with the business of the other Divisions of the Road, particularly as to loading and unloading freight, repairs of cars, &c., any analysis of the statement of expenses above set forth, would fail to give exactly the cost of carrying one passenger or one ton of freight one mile; or the exact cost of running trains per mile.

The engines mentioned below, have run exclusively on this Division. The following tables show, in detail, the miles run by each engine, and the cost for *enginemen* and firemen, oil, tallow and waste used, repairs and fuel, and the *total cost* per mile run by engines.

Engines.	Miles Run.	Cost for Enginemen and Firemen.	Oil, Tallow and Waste.					
			Gallons of Oil.	Miles Run to 1 Pint Oil.	Pounds of Tallow.	Pounds of Waste.	Cost for Oil, Tallow and Waste.	Cost per Mile for O., T. and W.
Scranton,	8,368	$434 46	79	13 24-100	183½	137	$121 33	01.45-100
Lackawanna,	16,999	893 47	119¾	17 74-100	354½	247	213 14	01.25-100
De Witt,	17,083	902 32	100	21 29-100	290¼	221¼	183 31	01.08-100
Tunkhannock,	8,307	472 87	84¼	12 25-100	275½	129	151 32	01.82-100
Cayuga,	9,558	579 88	122½	09 75-100	350½	134½	202 48	02 12-100
Pocono,	9,116	600 58	78½	14 52-100	201	179	136 07	01.49-100
Wyalusing,	6,580	448 86	68	12 10-100	185¼	165	120 07	01.82-100

Engines.	Repairs.		Fuel.			Total Wages Oil, Repairs and Fuel.	
	Cost for Repairs of Engines.	Cost per Mile Run.	Cords of Wood	Cost of Wood.	Cost per Mile, Wood.	Total Cost.	Total Cost per Mile Run.
Scranton,	$587 35	07 02-100	880	$755 97	09 61-100	$1,899 11	22 69-100
Lackawanna,	728 56	04 29-100	726	1,461 93	08 60-100	3,297 10	19 40-100
De Witt,	952 97	05 59-100	795	1,590 46	09 34-100	3,627 06	21 31-100
Tunkhannock,	818 96	03 34-100	663¼	1,266 67	15 25-100	2,209 82	26 60-100
Cayuga,	951 97	09 96-100	627	1,256 16	1[illegible] 14-100	2,989 99	31 28-100
Pocono,	518 09	05 68-100	703	1,400 90	15 37-100	2,655 64	29 13 100
Wyalusing,	516 64	07 85-100	504	1,006 70	15 30-100	2,092 27	31 80-100

The largest item of expenses is for maintenance of way—which includes repairs of road-bed, track, and renewal of bridges. The amount expended in renewals of tracks and bridges was $29,238 19, which sum, it is suggested, should be charged against the "Account of Personal Property received from the C. and S. R. R. Co.," as well as the amount expended last year, ($20,366,) for the like purposes.

Seven hundred and seventy-eight feet of entire new truss bridges have been built during the year; and three hundred and sixty feet of first-class trestle work.

All this work has been done in the most substantial manner, and with the best materials.

The bridges mentioned have all been well covered, and carefully protected from the weather, and well painted. Aside from accidents by fire or flood, these bridges can be relied on for twelve years.

Five thousand one hundred and sixty-eight 12-100 dollars have been spent in renewal of iron rails.

Nine thousand three hundred and eighty-one new ties, and two thousand five hundred and sixty-four new chairs have been placed in the track.

The whole Division is at present in most excellent working condition, as regards engines, track, and road-bed; and in these respects it will compare favorably with any first-class road in the country.

The motive power now on this Division is ample beyond question for the business that will offer for this year.

Without undertaking to make a full estimate, in detail, of the expenditures for the coming year, the following items will require to be incurred in way of renewals, &c., viz:—Fifteen thousand cross-ties, at 50 cents each, laid; fifteen hundred chairs, at 60 cents; one hundred tons of rails; ten thousand lbs. of spikes. The Turn-Table in the Ithaca Engine-House must be renewed, and more side tracks are required at Ithaca, for the accommodation of the coal trains.

Respectfully submitted,

W. R. HUMPHREY,

Superintendent Cayuga Division.

REPORT OF ACTING MANAGER OF MACHINE AND CAR SHOPS AND FOUNDRIES AT SCRANTON.

THE DELAWARE, LACKAWANNA AND WESTERN RAIL-ROAD CO.

MACHINE AND CAR SHOPS, AND FOUNDRIES.

OFFICE – *Scranton, January* 10, 1857.

D. H. DOTTERER, Esq., *Superintendent.*

DEAR SIR:—The accompanying statements exhibit the operations of this Department for the past year: —

The stock of materials on hand Dec. 31, 1855, as per last Annual Report, (page 55,) was		$73,230 49
The amount of iron, lumber, and other materials purchased and received during the year was,	$181,100 58	
The amount paid for labor	121 103 21	
		302 203 79
		$375,434 28
The total amount of work done (labor and materials) during the year, was	$295,139 18	
The stock of materials on hand at the close of the year,	83,177 06	
		378,316 24
Balance,		$2,881 96

The following table shows the results of the year's business, in comparison with 1855:—

	1855.	1856.	Increase.
Stock of materials at commencement of the year	$60.054 64	$73,230 49	$13,175 85
Amount paid for materials	171,933 13	181,100 58	9,167 45
" " labor	85,910 95	121,103 21	35,192 26
" of work done	250,284 52	295,139 18	44.854 66
Stock of materials at close of the year	73,230 49	83,177 06	9,946 57

The amount paid for materials and labor, and the amount of work done for the various departments in each month, will appear from the following tables:—

EXPENDITURE FOR LABOR AND MATERIALS DURING THE YEAR 1856.

Month.	For Labor.	For Materials.	Total.
January	$7,742 68	$8,764 98	$16,507 66
February	7,907 43	9,677 42	17,584 90
March	8,383 89	9,898 57	18,282 46
April	8,584 28	9 834 86	18 419 14
May	9,058 31	9,779 88	18,838 19
June	9,462 82	26,139 13	35,601 95
July	11,651 57	19,887 01	31.538 58
August	12,320 64	25.647 52	27,968 16
September	12,184 31	18,979 08	31,164 29
October	12,249 84	13,082 78	25,332 62
November	10,710 37	14.275 31	24,985 68
December	10,847 02	15.133 14	25,980 16
Totals	$121,103 21	$181,100 58	$302,203 79

VALUE OF WORK DONE (LABOR AND MATERIALS) IN 1856.

Month.	Eastern Division.	Southern Division.	General Expenditure	Northern Division. and Keyser Valley Br.	Transport'n Expenses.	Coal Dep't, Construct'n.	Coal Dep't, Expenses.	Ithaca Shop.	Cay. Div. Transport'n Expenses.	Sundry Persons.	Total Amount.
January		$1,719 89	$8,224 52	$471 71	$6,560 40	$879 78			$232 75	$472 72	$18,561 27
February		1,730 60	8,623 03	226 07	5,114 83	444 29			214 09	284 25	16,587 16
March		2,384 82	13,548 20	411 92	6,776 48	1,261 70			230 00	566 62	25,179 24
April		3,485 15	12,817 79	240 78	4,684 44	1,187 68	42 65	60 43	375 78	755 21	23,649 91
May	271 80	3,027 25	6,800 07	1,195 65	5,009 92	1,457 60	4 00		47 80	1,081 97	18,895 56
June	594 46	1,990 68	10,644 24	790 49	6,327 84	1,225 88	15 11		477 82	777 10	22,843 12
July	67 50	1,469 43	16,480 41	435 12	10,328 26	2,261 62	55 97	207 18	115 00	1,008 74	32,429 18
August	94 25	1,319 11	14.645 31	1,253 15	12,144 17	756 58	104 64	14 88		850 16	31,182 25
September	15 40	1,798 63	12,700 89	3,189 24	9,846 68	1,242 77	280 22	38 80	172 50	937 62	30,212 25
October		1,740 87	6,843 35	1,580 88	11,252 95	1,328 48	70 99	165 85	52 00	649 68	23,184 50
November	86 86	1,817 29	13,082 60	624 06	8,718 54	549 57	109 41	34 65	52 00	259 58	25,284 56
December	18 02	1,995 87	13,341 01	889 61	8,065 08	146 88	54 72	587 25	144 00	2 442 79	27,180 18
Totals	$1,142 79	$24,478 59	$137,201 42	$10,758 18	$94,829 09	$12,742 78	$787 71	$1,108 49	$2,118 74	$10,086 89	$295,189 18

From the foregoing it will be seen that the amount of work done on account of "Construction Northern Division," which was for repairs of engine and cars for gravel trains, work on trestles, making switches, chairs and frogs for side tracks, and for Keyser Valley Branch..... $10,758 18

On account of "Construction Southern Division," in making and repairing gravel cars and tools, and repairs of engines for grading, constructing water stations, switches, furnishing chairs, &c., &c., was..... 24,473 59

For "Eastern Division," in work for Elizabeth Port docks and piers, 1,142 79

The work for General Expenditure was, in fitting up locomotives and tenders, building passenger and baggage cars, freight and coal cars, and machinery and tools, and amounted to..... 137,201 42

We have built, during the past year, on this account, the following cars, viz.:—

2	eight	wheeled	mail and express cars.
17	"	"	platform freight cars.
29	"	"	side-dump coal cars.
34	"	"	bottom-dump coal cars.
430	four	"	" " "
14	"	"	caboose "
1	eight	"	wreck "
527.			

The cost of these was.....	$132,976 60	
Cost of machinery and tools,.....	907 38	
Work done on locomotives and tenders,.....	3,317 44	
	$137,201 42	

The amount of work done, chargeable to "Transportation Expenses," being for repairs of locomotives and tenders, passenger, freight and coal cars, stations, track, &c., was..... 94,829 09

For "Coal Department," the work has been in the construction of machinery and cars,..... $12,742 78

And for sundry repairs made,..... 737 71

13,480 49

For "Cayuga Division," in furnishing castings and other materials for repairs of engines, cars, track, &c.,..... 3,217 23

The amount of work for "Sundry Persons" was mostly for the Warren Rail-Road Company, and for contractors on our own road, in furnishing materials, &c..... 10,036 39

$295,139 18

I annex statements showing the operations of our brass and iron foundries, from which it will be seen we have made, during the past year—

1,268,709 lbs. castings for cars engines, &c.

488,595 lbs. frogs and chairs for track.

35,478 lbs. brass and other composition castings.

These, it will be seen, have been furnished at reasonable rates, which has aided in doing our work economically in the other departments.

I also annex a table, showing the number of locomotive engines employed, the service performed, and cost of repairs. These have been more particularly under the charge of Mr. Watts Cooke, Master Machinist, whose energy and ability are manifested in the economy of their service.

Very respectfully yours,

H. L. MARVINE.

MACHINE AND CAR SHOPS IN ACCOUNT WITH BRASS FOUNDRY.

1856. To sundry Castings made during the year, viz.:—

	Brass at 32c.	White Metal at 27c.	Composition Metal, at 28c.	Tin, at 35c.	Lead, at 9c.	Zinc, at 7c.	Amount.	
	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.		
January.....	1,837½	509½					$725 56	
February.....	1,681½	223½					598 43	
March.....	1,396½	617½		14	6	90	625 34	
April.....	1,451	803½		1½	91		689 97	
May	2,012	585½		85	114	77	883 83	
June.....	1,824	854½			68	65	825 07	
July.....	2,674	1,116½					1,157 14	
August.....	3 248½	735½					1,237 51	
September.....	2,578½	458	29	11	65	350½	989 79	
October.....	2,818	1,053	60			110	1,210 57	
November	2,359½	694½	126				978 04	
December.....	2,290½	310			87		820 00	
Totals.....	26,171½	7,906½	215	111½	881	692½	$10,691 25	$10,691 25
To Stock of Materials on hand Dec. 31, 1856, as per Inventory.....								525 47
								$11,216 72

1855, Dec. 31. By amount of materials on hand... $764 09
1856. " " materials and labor during the year, viz.:—

	Copper and other Materials.	Wages of Laborers, Pattern-makers and Moulders.	Total.	
	$ c.	$ c.	$ c.	
January.	252 48	96 14	348 62	
February.....	662 07	78 75	740 82	
March.....	433 66	84 70	518 36	
April.....	718 99	67 25	786 24	
May.....	153 16	83 34	236 50	
June	1,586 19	92 23	1,678 42	
July.....	1,037 84	117 72	1,155 56	
August.....	798 82	121 83	920 65	
September	610 97	112 69	723 66	
October.....	1,291 84	112 69	1,404 53	
November.....	730 81	110 86	841 67	
December	664 14	107 41	771 55	
Totals.....	$8,940 97	$1,185 61	$10,126 58	$10,126 58
By Balance, (apparent profit)				326 05
E. E.				$11,216 72

H. L. MARVINE, *Clerk.*

MACHINE AND CAR SHOPS IN ACCOUNT WITH IRON FOUNDRY.

1856. To sundry Castings made during the year:—

	Various, at 2¾c.	Frogs, Chairs, &c., at 2½c.	Amount.	
	Lbs.	Lbs.	$ c.	
January	67,259	8,878	2 488 12	
February	72,784	21,888	2,492 91	
March	87,992	61,347	3,800 09	
April	119,213	56,772	4,555 73	
May	114,394	26,074	3,782 70	
June	109,719	51,208	4 169 45	
July	101,089	62,695	4,190 59	
August	114,507	57,380	4,213 87	
September	122,067	39 738	4,250 95	
October	131,041	55,633	4,855 37	
November	114,171	38,360	4,002 80	
December	114,473	19,222	3,583 50	
Totals	1,268,709	488,595	$45,882 88	$45,882 88
To amount Pig and Scrap Metal on hand				3,065 31
				$48,948 19

1855, Dec. 31. By amount of materials on hand..... $2,460 01

1856, " " materials and labor during the year, viz.:—

	Pig Metal, Scrap, &c.	Wages of Pattern-makers, Moulders, and Laborers.	Amount.	
	$ c.	$ c.	$ c.	
January	1,460 02	850 51	2,316 53	
February	1,475 28	968 16	2,443 44	
March	1,624 52	1,230 81	2 855 33	
April	2,339 72	1,382 75	3,722 47	
May	1,919 25	1,114 56	3,033 81	
June	4,999 72	1,101 44	6,101 16	
July	2 932 57	1,126 70	4,059 27	
August	2,948 31	1,106 90	4,055 21	
September	2,130 28	1,256 41	3 386 64	
October	2,397 82	1 295 71	3,693 53	
November	1,217 72	1,009 83	2,227 55	
December	5,241 91	929 49	6,171 40	
Totals			$44,066 34	$44,066 34
By Balance				2,421 84
				$48,948 19

E. E. SCRANTON, Dec. 31, 1856.

H. L. MARVINE, *Clerk.*

THE DELAWARE, LACKAWANNA AND WESTERN RAIL-ROAD COMPANY.

List of Locomotive Engines in use on the Northern and Southern Divisions, and Warren Rail-Road, and Statement of the cost of Repairs thereof, and service performed by them, during the year 1856.

	Name.	Class.	Makers.	Time on the Road.	No. miles run in 1856.	Cost of Repairs.	Cost per mile run. Cents.	Condition at Close of the Year.
1	Pioneer,	Fourth.	Unknown.	y'rs mos.	———	———	———	Now used as a stationary Engine, pumping water.
2	Spitfire,	"	English.	5 " 7 "	245	$1,654 13	6.75	Laid up in ordinary.
3	Wyoming,	Second.	Rogers, Ketchum & Grosvenor.	5 " 2 "	19,786	1,711 76	8.67	In order.
4	Capouse,	First.	Ditto.	5 " 2 "	13.646	2,484 60	18.21	Ditto.
5	Montrose,	Second.	Ditto.	5 " 1 "	14.579	1,158 79	7.80	Under repairs.
6	Ithaca,	"	Ditto.	5 " 1 "	7,495	2,530 71	3.38	In order.
7	Keystone,	First.	William Swinburne.	4 " 9 "	10,565	597 59	5 85	Ditto.
8	Ontario,	"	Rogers, Ketchum & Grosvenor.	4 " 7 "	14,132	864 32	6.12	Ditto.
9	Niagara,	"	Ditto.	4 " 6 "	20,925	1,675 75	8.	Ditto.
10	Genesee,	"	Ditto.	4 " 6 "	17,004	1,263 85	7.43	In service; tire needs turning.
11	Buffalo,	"	Ditto.	4 " 5 "	18,174	1,669 04	9.18	In order.
12	Wyalusing,	"	Danforth, Cooke & Co.	3 " 6 "	1,697	31 78	1.87	On Cayuga Division.
13	Pocono,	"	Ditto.	3 " 2 "	———	———	———	Ditto.
14	Anthracite,	"	Ditto	2 " 5 "	9,851	2,497 15	25.34	In order.
15	Moosic,	Second.	N. J. Locomotive Co.	2 " 5 "	19,624	1,307 29	6.81	Under Repair.
16	Lackawanna,	First.	Danforth, Cooke & Co.	2 " 4 "	23,529	1,167 01	4.49	In order.
17	Susquehanna,	"	Ditto.	2 " 3 "	19,062	1,369 60	7.18	Ditto.
18	Tobyhanna,	"	N. J. Locomotive Co.	2 " 3 "	8,864	1,746 33	19.70	Under repair; needs new tire.
19	Carbon,	"	Ross Winans.	2 " 2 "	6,429	1,451 70	22.58	Ditto, " " drivers.
20	Lehigh,	"	N. J. Locomotive Co.	1 " 7 "	7.224	387 96	5.36	Ditto, altering furnace.
21	Samson,	Third.	Danforth, Cooke & Co.	1 " 7 "	11,956	831 71	6.95	In order.
22	Wilkesbarre,	Second.	N. J. Locomotive Co,	1 " 5 "	20,430	1,028 74	5.01	Ditto.
23	Plymouth,	"	Ditto.	1 " 5 "	20,597	1,106 43	5.32	Ditto.
24	Hercules,	Third.	Danforth, Cooke & Co.	1 " 4 "	12,458	804 19	6.46	Ditto.
25	Kittatinny,	First.	Rogers, Ketchum & Grosvenor.	1 " 3 "	19.701	665 19	3 38	Ditto.
26	Superintendent,	Third.	Danforth, Cooke & Co.	1 " 2 "	13,727	326 00	2.30	Ditto.
27	Delaware,	First.	Ditto	1 "	11,266	1,848 05	16.40	Ditto.
28	New-York,	"	N. J. Locomotive Co.	10 "	11,714	750 93	6 41	In service; broken frame.
29	Analomink,	"	Rogers, Ketchum & Grosvenor.	9 "	16,489	143 88	.87	Under repairs; broken cylinder.
30	Aquanchicola,	"	Ditto.	8 "	17,497	247 22	1.41	Ditto, needs new tire.
31	Drake Mills,	"	N. J. Locomotive Co.	8 "	8,300	769 67	9.27	Ditto, broken cylinder.

32 Pennsylvania,	First.	N. J. Locomotive Co.	8 mos.	10,557	784 35	7.43	Under repair; repairing flues.
33 Meenesink,	"	Rogers, Ketchum & Grosvenor.	7 "	10,762	225 88	2.10	In order.
34 Indiana,	Third.	Danforth, Cooke & Co.	7 "	12,687	215 20	1.70	Ditto.
35 Maryland,	First.	Ross Winans.	7 "	12,279	621 60	5.06	Ditto.
36 Pohatcurg,	"	Rogers, Ketchum & Grosvenor.	6 "	9,026	255 43	2.83	Ditto.
37 Virginia,	"	Ross Winans.	6 "	4,835	1,789 35	37.01	Ditto.
38 Ohio,	Third.	Danforth, Cooke & Co.	6 "	6,100	82 94	1.36	Ditto.
39 Oregon,	First.	N. J. Locomotive Co.	6 "	6,643	424 45	6.39	Under repairs; altering furnace.
40 California,	"	Ditto.	6 "	8,344	441 93	5 21	In order.
41 Vermont,	"	Ross Winans.	6 "	10,109	600 21	5.94	Ditto.
42 Illinois,	Third.	Danforth, Cooke & Co.	6 "	6 042	205 00	3 39	Ditto.
43 Meshoppen,	First	Rogers' L. and M. Co.	6 "	8,258	211 31	2.56	Ditto.
44 Phelps,	Second.	N. J. Locomotive Co.	5 "	12,202	115 61	.90	Ditto.
45 Connecticut,	First.	Ross Winans.	5 "	8,684	327 86	3.78	Ditto.
46 Black Hawk,	"	Danforth, Cooke & Co.	5 "	6,951	280 11	4.03	Ditto.
47 Choconut,	"	Rogers' L. and M. Co	4 "	2,603	67 06	.70	Ditto.
48 Michigan,	"	Ross Winans.	4 "	7,274	262 78	3.61	Under repairs, from collision.
49 Industry,	Fourth.	N. J. Locomotive Co.	4 "	———	17 18	——	In order.
50 Economy,	"	Ditto	4 "	3,221	46 63	1.45	Ditto.
51 Success,	"	Ditto.	3 "	2,760	17 81	.61	Ditto.
52 Pequest,	First.	Rogers' L. and M. Co.	3 "	5,698	46 08	.81	Ditto.
53 Frugality,	Third.	Danforth, Cooke & Co.	3 "	3,270	29 33	.90	Ditto.
54 Water Gap,	"	Ditto.	2 "	1,352	20 66	1.53	Ditto.
55 Roaring Brook,	First.	Rogers' L. and M. Co.	1 "	1,903	———	———	Ditto.
56 Wind Gap.	"	Danforth, Cooke & Co	1 "	480	———	———	Ditto
57 Experiment,	Third.	N. J. Locomotive Co.		———	———	———	Ditto.
58 Vaas Gap,	"	Danforth, Cooke & Co.		———	———	———	Ditto.
				565,956	$41,175 14	7.26	Average per mile.

RECAPITULATION,

AND DISTRIBUTION OF ENGINE REPAIRS.

Repairs of Passenger Engines, - - - - - - -	$5,916 71
" Freight " - - - - - - - -	8,448 47
" Coal " - - - - - - - -	19,162 84
" Southern Division Grading Engines, - -	4,794 17
" " " Superstructure Engines, -	1,730 41
" Northern Division Grading Engines, - -	1,127 54
	$41,175 14

WATTS COOKE, *M. M.*

GENERAL LAND AGENT'S REPORT.

THE DELAWARE, LACKAWANNA AND WESTERN RAIL-ROAD CO.

OFFICE OF COUNSEL AND GENERAL LAND AGENT,
Scranton, Pa., December 31st, 1856.

DRAKE MILLS, Esq., *President.*

SIR:—At the close of the year 1855, there remained, unsettled, twenty-seven right of way cases—eight on the Northern and nineteen on the Southern Division. Since that time, seven of those on the Northern, and eleven on the Southern Division, have been amicably adjusted, upon terms fair both to the Company and the claimants, leaving but one case on the Northern and eight on the Southern Division unsettled. In two of the cases on the Southern Division, legal proceedings have been instituted by the land owners. It is believed that all the other cases, and perhaps those two, will be settled without difficulty, upon reasonable terms.

The Company is not involved in any legal controversies worthy of special mention. Three or four suits are depending against them, in which the parties that have commenced them will probably come to the sensible conclusion, before they are brought to trial, that they will be subserving their own interests by withdrawing their suits, and accepting the terms which have been offered. And I can truthfully state, that there is no Corporation, of which I have any knowledge, that sustains a higher character for probity and fair dealing in the community where their business is transacted, or one less liable to receive injustice at the hands of a jury, than this Company; and although the new position and duties which I am about to assume, as the Superintendent of your road, will render it necessary for me, to some extent, to commit to other hands the transaction of the legal business, I intend to give to this department enough attention to protect the Company from unnecessary and expensive litigation.

Very respectfully, yours,

J. BRISBIN,
Counsel and General Land Agent.

GENERAL FREIGHT AGENT'S REPORT.

DELAWARE, LACKAWANNA AND WESTERN RAIL-ROAD.

TRANSPORTATION DEPARTMENT.

GENERAL FREIGHT OFFICE,
Scranton, February 7, 1857.

TO JAMES ARCHBALD, Esq., *General Agent.*

SIR:—The following Annual Report for the year 1856, of the Tonnage, and Mileage, also the Revenue from Freight, with accompanying statistical tables, is respectfully submitted to you:—

The tonnage of Freight of all kinds, except Coal, transported, was	129,270	tons.
The aggregate mileage of which is equal to tons carried one mile,	6,293,683	"
The total amount of Coal carried,	319,855	"
The aggregate mileage of which is equal to tons carried one mile,	22,951,305	"
The total tonnage of Coal and other Freight,	449,125	"
Total tons carried one mile,	29,244,988	"
Total Revenue, including the sum of $44,150 10 earned on connecting Roads,	$674,329	37

TABLE SHOWING THE PROPORTIONS OF THE ABOVE GENERAL RESULTS DUE TO EACH OF THE SEVERAL DIVISIONS OF THE ROAD.

	DIVISIONS.			
	Cayuga.	Northern.	Southern.	Warren R. R.
Freight, other than Coal, carried,.....Tons,	19,998	77,099	85,760	27,847
" " " " one mile,..... "	512,922	3,698,001	1,721,488	481,973
Coal carried,..... "	55,991	187,073	182,772	130,994
" " one mile,..... "	1,847,700	10,088,618	8,484,746	2,585,946
Total tons of Freight of all kinds carried,.....	75,989	264,176	168,532	158,131
" " " " one mile,.....	2,359,922	13,661,614	10,906,994	3,017,918
Revenue,.....Doll's,	$65,411 78	$366,485 61	$229,105 71	$69,168 14

In addition to the Revenue from Freight, amounting to.....$674,329 37
Less,—refunded for errors and overcharges..... 1,968 92

$673,160 45

There has been received as follows:—

For use of Locomotives on other Roads,.....$2,597 98
" " Freight and Coal Cars " 9,411 93
" Storage,..... 100 78
" Transportation of Mail,..... ... 6,343 97

$18,454 66

Total for Transportation, exclusive of Passenger Earnings,.. $691,615 11

THE DELAWARE, LACKAWANNA AND WESTERN RAIL-ROAD COMPANY.

TRANSPORTATION EARNINGS FOR 1856.

SOURCES OF REVENUE.	DIVISIONS.				Central R. R. of N. J.	Lackawanna and Bloomsburg R. R.	Lackawanna R. R.	Total Amount.
	Cayuga.	Northern.	Southern.	Warren R. R.				
	$ c.	$ c.	$ c.	$ c.	$ c.	$ c.	$ c.	$ c.
Passengers' Fares,	19,532 76	47,548 21	45,668 68	9,998 28				122,749 93
" Extra Baggage,	88 95	136 46	58 49	8 16				242 06
Freight, Coal,	41,997 84	167,010 16	168,090 79	51,036 42	42,979 02	373 65		471,487 88
" Merchandise,	22,709 30	98,089 90	60,180 43	17,842 34		805 43		199,627 40
" Express,	705 14	1,885 55	834 49	239 38				3,214 56
Transportation of Mail,	1,825 00	2,443 00	1,563 08	512 89				6,343 97
Service of Locomotives,		2,597 98						2,597 98
Use of Freight Cars,		6,068 89			3,018 44	305 56	19 04	9,411 93
Storage,	6 82	93 96	50					100 78
Totals,	86,814 81	325,374 11	276,391 46	79,637 47	45,997 46	1,484 64	19 04	815,768 99

MONTHLY EARNINGS OF THE CAYUGA DIVISION, FOR 1856.

Months.	PASSENGERS.		FREIGHT.			Transp'n of Mail.	Use of Locomo's.	Use of Freight Cars.	Storage.	Totals.
	Fares.	Extra Baggage.	Coal.	Merchandise.	Express.					
	$ c.	$ c.	$ c.	$ c.	$ c.	$ c.	$ c.	$ c.	$ c.	$ c.
January....	1,091 30	3 50	1,272 22	1,529 41	135 11	152 09			31	4,193 94
February...	1,013 93	62	2,094 45	1,961 57	48 54	152 08			50	5,271 74
March.....	1,403 25	1 25	1,529 26	1,996 17	75 71	152 08				5,467 72
April.....	1,848 48	3 18	2,613 58	1,940 67	50 85	152 09			1 25	6,610 10
May.....	1,487 03	3 77	3,272 67	2,405 06	36 16	152 08			63	7,357 40
June.....	1,534 58	9 70	2,838 57	1,886 80	91 06	152 08			50	6,463 29
July.....	1,754 47	3 00	3,335 14	1,425 86	22 90	152 09			75	6,694 21
August....	1,807 11	3 06	4,103 44	2,123 16		152 08			63	8,189 48
September..	2,315 24	1 60	6,046 18	1,923 36	9 82	152 08				10,448 23
October....	2,173 12	1 88	6,024 84	1,498 33	129 03	152 09				9,978 79
November..	1,620 72	3 89	6,214 24	2,076 20		152 08			1 75	10,068 88
December..	1,483 48	3 50	2,343 30	1,982 71	105 96	152 08				6,071 03
Totals,	19,532 76	38 95	41,997 84	22,709 30	705 14	1,825 00			6 82	86,314 81

MONTHLY EARNINGS OF NORTHERN DIVISION, IN 1856.

Months.	PASSENGERS.				FREIGHT.						Transp'n of Mail.		Use of Locomo's.		Use of Freight Cars.		Storage.		Totals.	
	Fares.		Extra Baggage.		Coal.		Merchandise.		Express.											
	$	c.	$	c.	$	c.	$	c.	$	c.	$	c.	$	c.	$	c.	$	c.	$	c.
January,....	2,783	54	4	95	6,478	43	5,831	28	128	60	178	59	749	98	620	73		25	16,726	35
February...	2,418	34	11	17	6,403	81	4,716	29	113	20	178	58	555	50	165	62			14,562	51
March.....	3,579	97	6	64	7,630	67	5,069	53	127	52	178	58	545	68	205	07			17,843	61
April.....	4,422	53	10	40	8,427	88	8,994	52	161	91	178	59	746	92	908	72			23,851	47
May.....	3,769	18	13	74	12,442	85	10,407	10	216	52	178	58			547	65	6	89	27,552	51
June.....	3,464	59	14	79	14,412	41	9,984	98	144	29	178	58			444	36	16	00	28,660	00
July.....	4,914	06	80	44	14,624	01	8,790	41	121	43	178	59			329	34	8	95	28,997	23
August.....	4,847	64	6	62	18,593	80	8,919	98	93	76					247	78	29	14	32,738	72
September..	4,995	13	13	17	21,931	02	9,050	03	54	45	472	91			297	57	6	97	36,821	25
October....	4,800	27	8	50	24,835	44	11,293	15	62	30	240	00			903	64	19	32	42,162	62
November...	3,846	70	10	85	20,611	71	9,535	92	79	43	240	00			884	48		28	35,209	42
December..	3,786	26	5	19	10,618	13	5,496	71	82	09	240	00			513	88	6	16	20,748	42
Totals,	47,543	21	136	46	167,010	16	98,089	90	1,385	55	2,443	00	2,597	98	6,068	89	93	96	325,374	11

MONTHLY EARNINGS OF THE SOUTHERN DIVISION FOR 1856.

Months.	PASSENGERS.		FREIGHT.			Transp'n of Mail.	Use of Locomo's.	Use of Freight Cars.	Storage.	Totals.
	Fares.	Extra Baggage.	Coal.	Merchandise	Express.					
	$ c.	$ c.	$ c.	$ c.	$ c.	$ c.	$ c.	$ c.	$ c.	$ c.
January,....			652 15	53 70						705 85
February,.			329 87	125 16						455 03
March,.....				1,835 38						1,835 38
April,.			29 71	587 50						617 21
May, ...	1,083 12		984 84	1,711 22						3,779 18
June,.....	3,666 58	9 47	10,460 58	5,347 78						19,484 41
July,.....	6,803 48	5 78	19,641 20	5,676 85						31,627 31
August,.....	7,369 45	11 11	27,465 04	6,824 27	54 61					41,724 48
September,.	7,857 91	13 36	26,994 06	7,966 26	167 64	603 08				43,602 31
October,... .	7,464 28	5 46	24,249 14	11,289 64	170 91	320 00				43,499 43
November,..	6,111 16	9 01	23,641 88	8,803 11	185 42	320 00				39,070 58
December,.	5,807 70	4 30	33,642 32	9,959 56	253 91	320 00			50	49,990 29
Totals.	45,663 69	58 49	168,090 79	60,180 43	834 49	1,563 08			50	276,891 46

MONTHLY EARNINGS OF THE WARREN RAIL-ROAD FOR 1856.

Months.	PASSENGERS.				FREIGHT.						Transp'n of Mail.		Use of Locomo's		Use of Freight Cars.		Storage.		Totals.	
	Fares.		Extra Baggage.		Coal.		Merchandise.		Express.											
	$	c.	$	c.	$	c.	$	c.	$	c.	$	c.	$	c.	$	c.	$	c.	$	c.
January,...																				
February,...					2	57													2	57
March,.....							23	55											23	55
April,... ..																				
May,.....					204	61	17	66											222	27
June,.....	744	35			8,079	22	1,668	46											5,492	03
July,.....	1,373	62			6,284	43	1,753	14											9,416	19
August, . ..	1,757	86			8,720	49	2,363	46	18	21									12,860	02
September,.	1,970	86	25		8,271	95	2,446	61	50	04	197	89							12,937	60
October,....	1,756	88	25		7,215	52	3,460	28	62	08	105	00							12,600	01
November,..	1,255	29	2	26	6,864	08	2,923	59	66	49	105	00							11,216	71
December,..	1 184	42	5	40	10,393	55	3,135	59	92	56	105	00							14,916	52
Totals,	9,993	28	8	16	51,036	42	17,842	84	269	88	512	89							79,667	47

It is confidently expected that the recent modification in our Freight Tariff will largely increase the Revenue from transportation of Merchandise, as well as prove highly satisfactory to the public.

Very respectfully, yours,

R. A. HENRY,
Gen'l Fr't Agent.

REPORT OF THE GENERAL TICKET AGENT.

THE DELAWARE, LACKAWANNA AND WESTERN RAIL-ROAD CO.

TRANSPORTATION DEPARTMENT.

GENERAL TICKET OFFICE,
Scranton, Pa., Jan. 19th, 1857.

JAMES ARCHBALD, ESQ., *General Agent.*

DEAR SIR:—I submit herewith a Statement of the Earnings of the Company from the Transportation of Passengers, with the usual statistics of this branch of our business, for the year just closed.

As the books of this Office are kept so as to show not only the aggregate amount of Passenger Earnings, but also the amount of the same on each of the four Divisions of the Road, I am enabled to give the following details, viz.:—

The whole number of Passengers carried by the Company during the year was...	114.060⅗
The distance traveled by them equal to....	3 720.744 miles.
Or.....	3.720 744 Passengers carried one mile.
And the Revenue derived from the same..	$122.984 99
Being an average of.....	3 30 100ths cents per Passenger per mile.
Of this whole number.....	24,495 were carried on Cayuga Division.
Equal to.....	574.349 Passengers carried one mile.
For which the Revenue was.....	$19.571 91
At an average of.....	3 40-100ths cents each per mile.
Of the whole number, as above.....	52.983⅓ were carried on Northern Divis.
Equal to.....	1.432.871 Passengers one mile.
The Revenue therefrom was.....	$47.6-4 67
Averaging.....	3 33 100ths cents per passenger per mile.
During seven months.....	36,102 were carried on Southern Divis.
Equal to.....	1,468.122 Passengers carried one mile.
Revenue derived therefrom was.....	$45,722 .7
Or an average of.....	3 26-100ths cents per Passenger per mile.
During the same term.....	24 197 Pas'gers carried on Warren R. R.
Equivalent to.....	310,432 Passengers carried one mile.
For which we received.....	3 22-100ths cents per Passenger per mile.

The earnings of the *Cayuga* and *Northern* Divisions, compared with last year, are as follows, viz.:—

CAYUGA DIVISION.

	Number carried.	Number carried one mile.	Amount of Revenue.	Average Rate per mile per passenger.
1855....	28,487	695,234	$20,554 76	3 4 100ths cents.
1856....	24,495	574,349	19,571 71	3 40-100ths "
Decrease,	3,992	120,885	$983 05	

NORTHERN DIVISION.

	Number carried.	Number carried one mile.	Amount of Revenue.	Averaze rate per mile per passenger.
1856....	52.983⅓	1,432,871	$17,684 67	3 33-100ths cents.
1855....	51,188	1,347,510	44,039 60	3 27-100ths "
Increase,	1,795⅓	85,361	$3,645 07	

The details of the above are shown by the following Tables:—

COMPARATIVE STATEMENT OF THE MONTHLY PASSENGER EARNINGS ON THE NORTHERN AND CAYUGA DIVISIONS IN THE YEARS 1855 AND 1856.

NORTHERN DIVISION.					CAYUGA DIVISION.				
	In 1855.		In 1856.			In 1855.		In 1856.	
Mo's.	No. of pas'grs.	Revenue.	No. of pas'grs.	Revenue	Mo's	No. of pas'grs.	Revenue.	No. of pas'grs.	Revenue.
Jan..	3,656	$2,906 25	3,219½	$2,738 49	Jan..	2,186	$1,524 86	1,821½	$1,094 80
Feb..	2,620½	2,104 29	2,866	2,429 51	Feb.	1,413½	1,000 06	1,201	1,014 60
Mar..	3,821½	3,165 08	4,171	3,586 61	Mar.	2,008½	1,363 68	1,780½	1,404 50
April	4,080½	3,541 58	5,044½	4,482 98	April	2,244	1,725 41	2,870	1,851 66
May	4,257½	3,929 71	4,124½	3,732 92	May.	2,351	1,610 93	1,946½	1,490 80
June	4,047½	3,711 98	3,928	3,479 85	June.	2,148	1,524 15	2,976	1,544 28
July.	5,176½	4,177 96	5,619	4,944 50	July.	2,604½	1,766 22	2,207	1,757 47
Aug.	4,670½	4,041 74	5,214½	4,854 26	Aug.	2,572½	1,783 20	2,218½	1,810 17
Sept.	4,964	4,400 24	5,488½	5,068 33	Sept.	2,900	2,068 50	3,217½	2,816 81
Oct..	5,537½	5 163 04	4,914½	4,808 77	Oct..	3,691	2,677 50	2,575	2,175 00
Nov.	4,223½	3,499 64	4,187½	3,857 55	Nov.	2,354½	1,901 99	1,929½	1,624 61
Dec.	4,182½	3,898 09	4,262	3,791 45	Dec..	2,018½	1,608 76	1,802	1,486 98
Total	51,188	$44,039 60	52,983½	$47,684 67	Total	28,487	$20,554 76	24,495	$19,571 71

RECAPITULATION.

	No. carried.	Revenue.
Northern Division, 1856,.....	52,983½	$47,684 67
" " 1855,.....	51,188	44,039 60
Increase in 1856,.....	1,795½	$3,645 07
Cayuga Division, 1855,.....	28,487	$20,554 76
" " 1856,.....	24,495	19,571 71
Decrease in 1856,.....	3,992	$983 05
Total in 1856, Northern Division,.....	52,983½	$47,684 67
" " Cayuga "	24,495	19,571 71
Total, ...	77,478½	$67,256 38
Total in 1855, Northern Division,.....	51,188	$44,039 60
" " Cayuga "	28,487	20,554 76
Total,.....	79,675	$64,594 36
Aggregate in 1856,.....	77,478½	$67,256 38
" in 1855,.....	79,675	64,594 36
Decrease in number carried, ...	2,196½	
Increase in Revenue,.....		$2,662 02

	No. carried.	Revenue.
The total business of the Southern Division in seven months, since it was opened through, was,.....	36,102	$45,722 17
Warren Rail-Road, for the same time,.....	24,197	10,006 44
Total on both in seven months,.....	60,299	$55,728 61

The Southern Division and Warren Rail-Road having been in operation but seven months, of course no comparative statement can be made of the earnings of this portion of the Road with the previous year; but from the fact that $55,728 61 was earned on this portion of the Road in seven months, and $50,225 09 of the amount in six months, (July and December inclusive,) we may safely calculate the business of the Southern Division and Warren Rail-Road at $110,000 in all the year 1857; and with the same ratio of increase in the aggregate earnings of the Northern and Cayuga Divisions for the coming year, we shall have a total of $70,000—making the entire passenger earnings for 1857, $180,000.

The conn ction with the Belvidere Delaware Railroad, at Bridgeville, is daily increasing in importance as the route becomes more extensively known; and the average number of passengers, per month, since the commencement of the arrangement, is about 1,500. But we have reason to apprehend the loss of that portion of the travel from the Wyoming Valley, unless the Belvidere Delaware Rail-Road Company can be induced to extend their Road to some favorable point of connection with ours; for the recent opening of the North Pennsylvania Rail-Road opens a shorter route between Wilkesbarre and Philadelphia, via the North Pennsylvania and Lehigh Valley Rail-Roads, than our present one, to which the four miles of staging is a serious objection, as it renders the connection somewhat uncertain: and there is no doubt but this Philadelphia connection would equal our New-York connection, if we had direct Rail-Road communication.

We have nineteen Stations on our Southern Division and Warren Rail-Road, at ten of which we have no Agents; consequently quite a large proportion of our passenger business on that portion of the Road must necessarily be done by the Conductors, which, experience shows, has its disadvantages. I would, therefore, suggest that, in all cases, where practicable, the Telegraph Operators act as Ticket Agents at all Stations where we have no Agents.

I am happy to be able to state that we have transported the 114,060 passengers 3,720,744 miles, without the slightest injury to "Life or Limb;" and also, that from the opening of the Road to the present time, (five years,) we have never been obliged to pay one dollar for loss or damage to passengers' baggage. And this is due, in a great measure, to the care manifested, and interest felt, for the welfare of the Company, by our Agents, Conductors, and others engaged in this branch of our business. And I venture to say that no Company have been more favored in this respect than our own.

Respectfully yours,

WM. N. JENKS,

General Ticket Agent.

LETTER FROM THE TREASURER OF THE LACKAWANNA AND BLOOMSBURG RAILROAD CO.

OFFICE OF THE LACKAWANNA AND BLOOMSBURG RAIL-ROAD CO.,
Wyoming, Pa., February 21st, 1857.

WM. E. WARREN, Esq., *Treasurer of the Delaware, Lackawanna and Western Rail-Road Co., New-York.*

DEAR SIR:—The annexed Balance-Sheet will furnish you a general view of our accounts and financial condition.

You are already aware of the fact that some 25 miles of our Road is in working order, and as far as Kingston profitably employed. From the report of the Engineer I learn that of the remainder of the line, a distance of 22 miles is ready for the rails, leaving only about 10 miles on which grading remains to be done, and on all of which the work is in a state of forwardness warranting the conclusion that it *can* be completed by the first of May. It will not, however, in my judgment, be ready quite so soon.

With regard to our financial condition, you will notice that the paid up Capital Stock has been increased about one hundred thousand dollars since our last Annual Report.

Of the $500,000 Bonds sold, as previously reported, only $394,000 have been settled for and delivered, leaving $106,000 on hand, which, added to our other assets, is considered sufficient to pay our liabilities and complete the grading, estimated yet to cost $60,000.

Thus you observe that the $400,000 of Bonds, (of the issue of $900,000), set apart as a fund to furnish the rails for the Lower Division and equipment, are still untouched, and at our disposal, for those purposes, according to the original design.

The following statement exhibits the result of our Transportation business since we commenced operations.

Passenger Earnings,		$15,716 98
Freight Earnings,		7,919 77
Express Freight,		361 59
Mail,		540 00
		$24,568 34
Deduct Expenses,		7,698 94
Net Earnings,		$16,869 40

Our Directors and Stockholders look forward with high expectations of business upon the opening of the whole line; and allow me to say, in this connection, that the Delaware, Lackawanna and Western, will reap a harvest from that event very much to the comfort and profit of its Stockholders.

Very respectfully yours,

P. PETTEBONE, *Treasurer.*

THE LACKAWANNA AND BLOOMSBURG RAIL-ROAD COMPANY.

BALANCE-SHEET, DECEMBER 31, 1856.

PAGE.				
12.	To CONSTRUCTION, VIZ.:—			
	Office Expenses and Stationery,.....	$4,542 94		
	Engineer Department,.....	14,239 02		
	Agency,..	9,970 90		
	Land, Land Damages and Fences,.....	30,914 04		
	Grading, ...	442,193 17		
	Truss Bridges,.....	80,627 67		
	Superstructure,.....	87,798 29		
	Iron,.....	173,985 96		
	Contingencies,.....	8,674 12		
	Engine and Car Houses, ...	750 88		
	Freight and Passenger Stations,.....	6,201 49		
	Water Stations and Wood Sheds,.....	1,669 07		
	Locomotives and Tenders,.....	14,556 02		
	Passenger and Baggage Cars,.....	5,864 30		
	Freight and Gravel Cars,.....	5,852 92		
	Discount on sale of $394,000 Bonds.....	77,400 00		
	Interest—Total sum paid, including amount on Stock and Bonds to December 31st, 1856,..... ..... $61,229 37			
	Less—Balance transportation earnings to same date,..... 16,869 40			
		48,359 97		
			$953,641 76	
5.	" CASH—AMOUNT ON HAND.....	15,120 75		
17.	" BILLS RECEIVABLE,.....	88,742 97		
499.	" HOWARD EXPRESS CO.,.....	161 59		
	" BALANCE DUE FROM STATION AGENTS, being for freight on property not delivered.....	716 05		
	" MISCELLANEOUS ACCOUNTS RECEIVABLE,.....	1,829 57		
			106,570 98	
			$1,060,212 69	

PAGE.			
1.	BY CAPITAL STOCK.		
	2,120 shares paid up in full,..... ....$455,100 00		
	2,433 " on which there has been paid,. 47,700 40		
	4,553		$502,800 40
48.	" MORTGAGE BONDS, OF 1875,.....	900,000 00	
	Less on hand,.....	506,000 00	
			894,000 00
20.	" BILLS PAYABLE,.....	40,408 62	
19.	" DISCOUNTED BILLS RECEIVABLE,.....	61,867 84	
37.	" INTEREST ON STOCK		
	Amount accrued to December 31, 1856,.....	23,800 21	
407.	" LACKAWANNA IRON AND COAL CO.,.....	1,178 18	
408.	" INTEREST ON BONDS.		
	Amount due 1st January, 1857...$11,007 50		
	" " previously,..... 175 00		
		11,182 50	
82.	" MISCELLANEOUS ACCOUNTS PAYABLE	22,974 94	
			168,413 99
	.....		....$1,060,212 69

(E. E.) PAYNE PETTEBONE, *Treasurer.*

PROCEEDINGS

AT A

SPECIAL MEETING OF THE STOCKHOLDERS,

APRIL 15, 1857.

A Special Meeting of the Stockholders of the Delaware, Lackawanna and Western Railroad Company was held at the general office, No. 51 Wall-street, New-York, on Wednesday, April 15, 1857.

DRAKE MILLS, President, in the Chair;
ANDREW J. ODELL, Secretary, acting as Clerk.

The meeting having been called to order, the minutes of the meeting on 3d March, ult., were read. Mr. JEREMIAH WILBUR (representing Messrs. J. K. Gilliatt & Co., of London) proposed an amendment, and a motion to adopt the same was lost. The minutes, as read, on motion of Mr. JOHNSTON, seconded by Mr. S. B. CHITTENDEN, were approved.

The Secretary read a copy of the notice convening the meeting, which stated its special object to be, to receive the report of the Select Committee, appointed at the adjourned meeting on 3d March last, to investigate the charges of maladministration made by Mr. GEORGE D. PHELPS, against the Officers and Managers.

Mr. CHRISTOPHER R. ROBERT, Chairman of the Investigating Committee, then presented and read a report of their proceedings; in which the committee unanimously exonerate the Officers and Managers from each and all of the charges made by the Ex-President. On motion of Mr. VERMILYE, seconded by Mr. SAMUEL MARSH, said report was accepted.

A motion having been made to adopt the report of the committee, Mr. TILESTON made a few remarks, and concluded

by offering the following resolutions, which were adopted without dissent:—

Resolved, That the thanks of the Stockholders are due to the committee for the long, patient, and very thorough investigation which they have made of the affairs of the Company, and the fulness and explicitness of their report; and that the Treasurer be hereby directed to pay any expenses which may have been incurred therein, the same being certified by the chairman of the committee.

Resolved, That the report of the committee as aforesaid, be adopted, and that the Board of Managers be requested to cause it, together with the proceedings of this meeting, to be printed and appended to their annual report for the last year.

The proposed By-Laws, which were reported at the meeting on 3d March, ult., and ordered to be printed and distributed preparatory to action at this meeting, being under consideration, on motion of Mr. STURGES, it was

Resolved, That the By-Laws reported by the Special Committee of which Mr. James S. Aspinwall was chairman, be laid on the table for the present; and that the By-Laws adopted by the Board of Managers on the 18th March, 1856, be continued in force.

On motion, the meeting adjourned.

DRAKE MILLS, *Chairman.*

A. J. ODELL, *Secretary.*

REPORT OF THE INVESTIGATING COMMITTEE.

At an adjourned meeting of the Stockholders of the Delaware, Lackawanna and Western Rail-Road Company, held at the general office of the Company, No. 51 Wall-street, New-York, on Tuesday, 3d March, A. D. 1857, among other proceedings, the following transpired:—

"Mr. George D. Phelps having objected to the 5th Article, [of the By-Laws,] proceeded to explain his reasons, in the course of which he imputed to the Officers and Managers improper management, and other delinquencies; whereupon, on motion of Mr. John J. Phelps, seconded by Mr. Christopher R. Robert, it was

"*Resolved*, That a Committee of Stockholders be appointed to investigate the charges made by Mr. George D. Phelps, and report at a special meeting, to be called at such time as said Committee may determine.

"Mr. George D. Phelps, being desired to name the members of the Committee, designated Messrs. Christopher R. Robert and James Brown as two of said members; to whom the meeting added Messrs William S. Wetmore, John E. Williams and George N. Miller."

I certify that the foregoing is a full and true copy from the minutes.

(Signed,) A. J. ODELL, *Secretary.*

Referring to the foregoing Preamble and Resolutions for their authority in the premises, the undersigned respectfully

REPORT:

That they organized very soon after receiving official notice of their appointment, and concluded, in view of the circumstances of the case, it was best that the investigation should, as far as practicable, be conducted in writing. Therefore, on the 5th of March, Mr. George D. Phelps was informed that they were ready to receive, in writing, such charges, with the specifications, as he might deem it his duty to prefer, under the foregoing resolution, a copy of which was furnished him in a communication two days later.

The charges of Mr. George D. Phelps, the reply of the Managers and Mr. Blair, and the rejoinder of the Ex-President, with the various accompanying documents and exhibits—covering, in all, some 250 pages of manuscript—have been carefully read and examined, with sundry records of the Board and Committees, and entries in the books; besides which, several of the Managers and Officers have been closely interrogated on such points as it was supposed would shed light on the matters under review.

It is proper to state, that the reply of the Board is signed by all the Managers, individually, except Mr. George W. Scranton, who lives out of the city. In the letter accompanying the same, it is said, "Of course some of the facts stated in the document could only be known to a portion of the Board, but each member desires to express his belief in their correctness."

These brief preliminary details the undersigned deem it necessary to place before the Stockholders; otherwise it might be inferred that there had not been that diligence in prosecuting the investigation, which the importance of the case required.

Although the first communication of Mr. Phelps is of such great length, (31 pages,) it contains but one direct charge—"*extra-official acts of the Treasurer*"—in which two members of the Board, Messrs. Blair and Mills, are implicated. The remainder of the communication above named, consists of three specifications, under the charge just stated; insinuations against several members of the Board; and arguments, so mingled, as greatly to add to the labors of the Committee, and render it difficult for them to classify the several matters brought under their consideration.

The first specification under the charge, is the payment of $200 by the Trea-

surer to Mr. Blair, to which the latter was not entitled, on the 6th October, 1855, and the re-payment thereof by the Treasurer, on the 7th November following, after he knew that Mr. Blair had been constrained to return the amount.

Second specification: the payment to Mr. Blair, by the Treasurer, of $800, when he knew, by the terms of the negotiation, which were distinctly made known to him, that Mr. Blair was not entitled to it.

Third specification: the taking, on the 7th January, 1856, of Drake Mills. two acceptances of the Company, (one having four days, the other about three months to run, for $5,104 65, and $6 000, respectively,) at 7 per cent. per annum, in part payment for several bonds of the Company.

The facts as to the *first two specifications*, are these, and are narrated together, because they are, in the main, so closely connected as to make a separate statement impracticable, without repetition:—

On or about the 26th September, 1855, at a meeting of the Finance Committee of the Board, it was resolved to open a subscription to raise $400,000 on the acceptances of the Company,—each subscriber to take $20,000, endorse and raise the money, at "not exceeding 10 per cent., without first notifying "the Company. If the rate should be more than 10 per cent., the Company "may make their own negotiation." In the caption of this subscription there are interlineations and erasures; 12 per cent. is inserted instead of 10 per cent. interest, and notice to the Company, if more than 10 per cent. was paid, and the reservation of the right to the Company to make their own negotiation, are struck out. Eight persons or firms signed the paper—all Managers, save one—each for $20,000, except John I. Blair for $40,000; and included George D. Phelps and Roswell Sprague for $20,000 each. The former, and Mr. John J. Phelps, both state that Mr. John I. Blair agreed to take a part, or the whole, of Mr. Sprague's, and Mr. George D. Phelps' amount, at 8 per cent. per annum; that the latter engaged (being a salaried officer) not to charge anything for his endorsement; and that Mr. Sprague did not consent to give his name, unless Mr. Blair would furnish the money. On that day, Mr. Blair, as appears by the entries in the books, took two acceptances of $10,000 each, endorsed by George D. Phelps and R. Sprague respectively, at 8 per cent. Mr. Blair states he then told the Treasurer, that although the rate for the time being was 8 per cent., that he was to be placed on the same footing as the other subscribers, when the rate was finally fixed; whether it was 6 per cent. or 10 per cent., he was content. This statement is confirmed by the Treasurer, who denies positively the affirmation of the Ex-President, that he gave him full information of the terms of the negotiation with Mr. Blair. On the 3d October, 1855, the Board resolved to issue the acceptances of the Company to an amount *not exceeding* $500,000, *and to raise the money thereon at not over 7 per cent. interest*, and a commission of 2½ per cent. for each six months. This subscription was substituted for that of *the 26th September*, though not expressly so stated on its face. It is signed by

thirteen parties, including those on the first paper. The Treasurer says that, on the 6th October, Mr. Blair discounted the other endorsement of Mr. Sprague for $10,000, and an equal amount of his own, at 12 per cent., as paid to others, and shown by the books. He then claimed to be allowed the difference between 8 and 12 per cent. on the $20,000 discounted on the 26th of September, amounting to $600. The Treasurer referred him to the President, who, the former understood, did not object to the $400 on Mr. Sprague's endorsement, but declined to pay it on his own. The $400 was allowed in the settlement. At a subsequent hour on the same day, Mr. Blair called, and took two other acceptances, payable to himself, for $5,000 each, from the check for which he had deducted the $200—the difference between 8 and 12 per cent. on the endorsement of Mr. George D. Phelps—which the Treasurer declined to accept; and Mr. Blair had an interview with the President, who again refused his assent to the payment. But from some remark made at the time (which he cannot repeat) the Treasurer was impressed with the belief that such refusal was not absolute, but that the matter would be held open for further consideration, or reference to the Finance Committee. Mr. Blair then made up the proceeds of the acceptances, by $200 in notes of the Belvidere Bank. On the 7th November following, this $200 was certified as correct by Mr. Taylor, a member of the Finance Committee, and was included in an account of disbursements by Mr Blair, amounting in all to $448 34. A check was then drawn for it, and countersigned by the President, whose attention was not specially called to its being in the account, by the Treasurer, he supposing, if the President desired to renew his objection, he would do so on inspecting the voucher, and presumed the matter was definitely settled, until about the 13th December, 1855, when he was first informed of the agreement to pay Mr. Sprague for endorsing the two acceptances of the Company for $10,000 each. This $200 was finally repaid by Mr. Blair, at a meeting of the Board, on the 29th February, 1856. It thus appears there was only one payment of this $200, and one re-payment.

Looking at this matter, isolated from the attending circumstances, and as an abstract question, the undersigned do not think Mr. Blair had a right to the amount under the agreement with Messrs. Sprague and Phelps; but, when viewed in connection with what he said to the Treasurer soon after, on the same day, and with the new subscription raising the interest a few days subsequently, and as there is no doubt that he acted with entire good faith, it should have been allowed him; and the undersigned deem it just to state, that the course of the ex-President was very injudicious and uncourteous, especially as Mr. Blair had previously, at various times, loaned the Company large sums of money at not over legal rates. Entertaining the views he did, his proper course, in the judgment of the undersigned, would have been to have referred the question to the Board. With their decision, Mr. Blair, no doubt, would have been satisfied, and all the ill feeling arising from this matter would have been easily avoided. The *propriety of this* course is more apparent when it is considered

that the balance of Mr. Phelps' endorsement ($10,000) was, with that of some of the other subscribers, negotiated with another member of the Board, at 12 per cent., a few weeks after. The undersigned believe the ex-President is entirely mistaken in his allegation that Mr. Blair and the Treasurer "*connived together*" to get this $200. They exonerate both from any improper motives in the transaction; but they think it would have been a better and wiser course, (knowing the previous opposition of the Ex-President to allowing the amount,) if the Treasurer had called his special attention to this item in the voucher when presenting the check to be countersigned.

From the foregoing statement it will be seen that Mr. Blair received $800 on Mr. Sprague's endorsement for $20,000, or interest on that amount at 12 per cent., the maximum rate as set forth in the subscription of 3d October, 1855. Early in December, 1855, Mr. Sprague made a statement of what he considered due to him for services as Treasurer some time before; whereupon, at the suggestion of Mr. Mills, the ex-President directed the sum of $800 to be paid to Mr. Sprague, subject to a future adjustment of all equitable claims by the parties interested.

Mr. Mills wrote Mr. Blair at or near the time the $800 was paid to Mr. Sprague, and Mr. Blair says this was the first time he heard that Mr. Sprague thought he was entitled to a guarantee commission of 4 per cent. for endorsing the Company's acceptances. On or about the 11th of January, 1856, Mr. Blair returned the two acceptances endorsed by Mr. Sprague, in pursuance, as the Treasurer states, of some understanding with Mr. G. D. Phelps, who signed two other drafts of the same date and amount, payable to the order of Mr. Blair, thus retiring Mr. Sprague's name.

The third specification—the settlement with Mr. Mills—is based on the following facts:—

On the 7th of January, 1856, the Treasurer settled with Mr. Mills for $16,000 of the bonds of the Company, which he had a short time before agreed to take at 75 per cent., amounting to $12,000. The terms of the subscription were 10 per cent. on 10th January, 15 per cent. on 1st February, and for the balance of 75 per cent. the parties had the privilege of giving notes payable on the first days of April, May and June, respectively, averaging 8th April.

In the settlement, two acceptances of the Company were taken—one for $5,104 65, due 11th January; the other for $6,000, payable 12th April. The remainder was a dividend of about $1,200, payable 10th January, making the average of the payments as on the 25th of February. Interest was calculated at 7 per cent.; and it thus appears that the Company received all the money forty-three days before they were entitled to it by the terms of payment, allowing only legal interest; and there cannot be a question that it was an equitable, just, and advantageous settlement for the Company. Therefore, the *undersigned* cannot comprehend how any person, conversant with business, can *view it otherwise*; and they must observe, that the perseverance of Mr. George

D. Phelps, in pressing this charge, has shown such a want of accurate perception, as to lead them to distrust his judgment, in regard to other matters, to which he also strenuously calls attention.

Great stress is laid, by the Ex-President, upon the importance of having an Auditor. The undersigned have not been able to discover that the Company has suffered any injury or loss from the want of one; and, for a while at least, they are of opinion that the Treasurer can perform the combined duties of the two departments, as he has hitherto done, with ability, fidelity, and entire satisfaction to the Managers, the Ex-President only excepted. As the business of the Company increases, probably it will be necessary to have a competent person for Auditor. The undersigned, with a view of seeing how the accounts were kept, have examined the Cash and Stock-transfer books, and those containing descriptive lists of accounts, classed under the different heads to which they severally belong; and they also compared several abstracts of accounts, and the entries in the books. They find the transfer books kept in the most approved manner. The cash is balanced daily; and the side books, in which the charges are analyzed, are full and complete, giving the amount of each specific expenditure, under its appropriate head, for every month, and each entire year. A complete balance-sheet is made out monthly, from the General Ledger, and recorded in a separate book kept for that purpose. The undersigned are unable to suggest any improvement in the system of keeping the accounts and books of the Company. It is simple and lucid, while the necessary checks seem to have been adopted, to secure strict accountability from all employed. On the 18th March, 1856, By-Laws were adopted, requiring monthly examinations of the accounts, by a committee of the Managers. Since that time, such examinations have been regularly made, up to the 1st of February last, and have since been omitted, owing to the necessary preparation of the Annual Report, and the calls upon the officers in the prosecution of this investigation.

The Ex-President dwells at great length on the fact, that several of the Managers are stockholders in other institutions having business relations with this Company; and to this cause he mainly attributes the difficulties which resulted in his resignation. Therefore, he takes the ground that no Manager of this Company should have permanent interests in other corporations transacting business with it. His theory on this subject may be very good, but, like many excellent theories, it would be very unwise, if not impossible, to put it in practice. Gentlemen qualified to manage interests of the magnitude of those of the stockholders, must have been years in acquiring that knowledge and experience which would qualify them for a proper discharge of the trust; and it would be strange, if, in obtaining that knowledge and experience, they had not received the usual reward of diligence and integrity, in conducting business on their own account—the accumulation of property—part of which would be invested in various enterprises of a public nature. Some of these would, probably, have business transactions with each other, and thus the several interests come in con-

flict, in the judgment of the Ex-President, who, while he raises the objection against a number of his associates, was a stockholder in three corporations, all in business connection with this Company; but he affirms that his interest in those was not paramount to that which he has in this Company, *Two* Managers are interested in the Union Iron and Coal Co.; *seven*, in the Lackawanna Iron and Coal Co.; *five*, in the Lehigh and Tobyhanna Land Co.; and *two* in the Oxford Furnace. Among the rules for the government of the Board, the undersigned find the following:—"*Any Manager interested in any important question before "the Board, shall withdraw while the same is under discussion, and until it is de-"cided.*" And, on inquiry of several of the Managers, they are informed that the rule has been practically adhered to.

With these remarks on the general subject, the undersigned will now proceed to notice what the Ex-President alleges against those of his associates who were interested in two or three of these corporations, as, in his opinion, most obnoxious to censure, viz.:—*The Lehigh and Tobyhanna Land Co.;* as to which he makes this statement:—

"A few words in regard to the Lumber contract, and the response of the "Board on that question. It is true it had not been *finally executed* when I "left the Board; but it *had been* fully negotiated and agreed upon, and, if I "mistake not, formally adopted and approved by the Board, and *that* after many "months of anxious consultation and *some* unpleasant discussion. * * * * "The last I heard of that contract, was an application by the Land Company "for a modification of its terms." He further charges "the Chief Engineer "as being one of the eight proprietors of fifteen miles of land on the line of our "road, and, as reported, containing 50,000 acres, at the same time he was "superintending its construction; and I might suggest this latter circumstance "as a reason for the frequent refusal of the Board to allow me a consulting "Engineer." . . . The Managers state, that no contract has been made to transport lumber for the Land Company; and the undersigned cannot find any record of such contract, and the Secretary of the Board says there is none. The latter further states, that only a small quantity of lumber has been carried for the Land Company, at rates charged to other parties; and he knows of no understanding, that an allowance shall hereafter be made from those rates. The Managers say:—"These lands were originally purchased to save the Railroad "Company from extortion, in the matter of the right of way. The Ex-President "has greatly overrated the quantity of the land. It is not true that Mr. McNeill, "the engineer, had an interest in them, until a considerable period after the rail-"road was under contract. It is not the first time the Ex-President has "insinuated that the *line of the road might have been changed* to accommodate "these lands." . . . This matter was fully reported upon by a Special Committee of the Board, (Messrs. Sprague, Young and Bulkley, who were not interested in the property,) on the 19th April, 1855, who state that, "after a careful exami-"nation of all the circumstances connected with the arrangements and agree-

"ments between the parties, they have come to the conclusion, that there has "been nothing done on either side, that should cause dissatisfaction or distrust." This report is accompanied by documents, to which reference will be made, viz., an affidavit of Edwin McNeill, Engineer, dated 13th March, 1855, setting forth: "That during the summer of 1851, and prior to the opening of the Northern "Division of the Delaware, Lackawanna and Western Rail-Road, he proceeded "to survey and locate the line of the Delaware and Cobb's Gap Rail-Road, from "Scranton to the River Delaware, under the direction of said last-named Com- "pany, and made and reported the location thereof;" and he adds, that "in no "case has the location been changed over 200 feet from the original line." S. T. Scranton, in an affidavit, made 13th March, 1855, sets forth the origin of the purchase of the land, and that the first tracts were bought in the winter of 1852–3. In a communication, signed by S. T. Scranton, George W. Scranton, E. McNeill, John I. Blair, and John J. Phelps, it is stated that arrangements were made to buy these lands some twelve months after the road was located.

These documents, in the judgment of the undersigned, prove conclusively that there has been no change of the line of the road to accommodate these lands; and they have no hesitation in stating their belief, that the Company were saved great trouble and expense, in obtaining the right of way through these lands, in consequence of the purchase thereof by parties who were interested in this road, and who gave the right of way throughout their whole extent, free of charge.

In regard to the indirect charge of being frequently refused a consulting Engineer, the undersigned quote as follows from the reply of the Managers:

"The Board solemnly and unanimously assert, that this is the first intimation they have ever had, that the Ex-President desired or mentioned the subject of a consulting Engineer; the Committee will decide the question of fact between the parties."

On these conflicting statements respecting a consulting Engineer, the undersigned make no remarks, leaving the Stockholders to draw their own inferences.

Next in importance, is the contract with the *Union Iron and Coal Company*, in regard to which the Ex-President says:—

"Although I was a *member of the Board at the time that contract was made*, it is well known to all the Managers, (and especially to the Secretary and Mr. Bulkley), that, with some others, I *constantly disapproved and strenuously opposed it*, at all points wherein it differed from that previously made with the Lackawanna Coal and R. R. Co., which, when negotiated and ratified, was intended to be a model for all other and future contracts. It is well known to some of the same parties, what reluctance and regret I expressed at the necessity, as President, of signing the contract."

The only material difference between this contract and that with the Lackawanna R. R. Co. is, that in the former this Company agrees to keep the coal

cars in repair for $10 each per annum, and furnish brakemen and oil for $3,000 per annum, and is for three years; the other for twenty years. On reference to the minutes of the Board, the undersigned find no indication of the opposition of the Ex-President to this contract; and on examination of the Secretary, he states that no opposition was made to it, only a slight alteration being made, at the suggestion of the Ex-President; and Mr. Bulkley does not recollect the strenuous opposition of the Ex-President at the time it came up for final action n the Board.

The Ex-President has entered into a calculation based on the last Report of the Reading R. R. Co. as to the expense of repairing coal cars, showing that there must be a large loss to the D., L. & W. R. R. Co. from the sum named in the contract with the Union Iron and Coal Company for that purpose. The reasoning of the Ex-President is by no means conclusive; for nothing is said as to how long the cars referred to in the Report of the Reading R. R. Co. *had been in use*, what was the construction of the cars, the kind of wheels and axles used—very important elements in any comparative estimate of the cost of keeping coal cars in order. Besides, if the Ex-President refers to the above-named Report for cost of repairing cars, it is proper to refer to the same document, and compare the average freight on coal upon that road the past year with what this Company receives from the Union Iron and Coal Company. The contract should be judged as a whole. The average freight of coal last year on the Reading R. R., as shown by their Report, was 1 55-100 cents per ton per mile, and they furnished their own cars. This Company are to receive from the Union Iron and Coal Company, so long as coal does not average under $4 25 per ton in this city for six months, from January to July, and from July to January, 2 cents per ton per mile; and when the average is less than $4 25, the rate of freight is to be 1¾ cents per ton per mile; the shippers furnishing their own cars, this Company keeping them in order for $10 each per annum, and furnishing brakemen and oil for the yearly sum of $3,000, as before stated. What should be allowed for the higher grades on this road, the undersigned cannot judge. With a view of ascertaining what had been the experience of this Company as to the expense of keeping coal cars in order, (believing that would afford the best basis for a calculation on the subject), the undersigned addressed a letter to Mr. Brisbin, the Superintendent at Scranton, containing a number of interrogatories bearing on the question; also, as to the expense of furnishing brakemen and oil. Mr. Brisbin forwards, with his reply, a statement (apparently prepared with great care) from Mr. Marvine, Clerk of the Machine shops. From this it appears that the cost of keeping the coal cars in order, (including the replacement of those destroyed by collision, or worn out,) was, in 1852, $6 55 each; in 1853, $7 65; in 1854, $9 65; in 1855, $13 64; in 1856, $14 51; or an average, for the five years, of $10 40; but as the contract with the Union Iron and Coal Company is for three years, with new cars, approved by this Company, only the three first years given in the report referred

to should be taken, and those give an average of $7 82, or full $2 under the price stipulated in the contract for repairs. This sum of $7 82, Mr. Marvine judges will cover the expense of keeping the cars of the Union Iron and Coal Company in order; for, although it will cost more on the Southern and Eastern Divisions to keep cars in repair, than on the Northern Division, owing to the higher grades on the former, the Superintendent and Clerk are of opinion that the expense arising from the difference of grade will not more than equal the wear and tear caused by bringing return freight on the Northern Division of the road, which has been "*much more injurious to the cars than coal,*" and the *expense has all been charged to repairs of coal cars.* Mr. Marvine states the expense of brakemen and oil for coal trains the past three years has been an average of $7 72 per car. What number of cars will be required to transport the coal stipulated in the contract with the Union Iron and Coal Company, the undersigned are not informed; but assuming the estimate of the Ex-President to be correct as to this point, viz., 481 for the present year, and 962 for the next, to transport 150,000 and 300,000, in those years respectively, there cannot be any material loss—apparently about $5,000 on the two years; but if there is a gain of $2 per car on the repairs, it would reduce this to about $2,000. . . . . So much for this calculation on the Ex-President's data. He is mistaken, however, as to the quantity of coal to be carried. It is stated in the contract at 75,000, 150,000 and 200,000, for the first, second and third years respectively. In a letter recently received from Mr. Brisbin, he gives the number of cars required to do the work stipulated in the agreement, at 166 the first year, 500 the second year, and 666 the third year; and the cost of repairs of cars, brakemen and oil, $21,395 80 for the whole period, for which service this Company would receive $20,320, or a loss of $1,075 80; but he states that no coal was carried last year, and this season, up to 1st April, only 2,552 tons; and he adds, that from present indications, this Company will not be furnished with the quantity of coal called for by the contract; and, therefore, no loss will ensue from these stipulations on the part of this Company.

The undersigned have dwelt longer on this contract than they should have done, had not so much been said about it. They have read the instrument carefully, and think it a fair and equitable bargain for both parties, and do not think it would be wise to accept the offer of the Union Iron and Coal Company to cancel it, if the Stockholders of this Company so desire.

Several other contracts with Companies in which some of the Managers of this Company are interested, are referred to by the Ex-President; but as no very material objection is made to them by him, there is no occasion for more than this brief allusion to them.

In a way somewhat informal, the Ex-President refers to other matters, in substance charging his associates with doing things injurious to the interests of the Stockholders. Of these, the undersigned should not take notice, if they were confined to the paper before them: but knowing that some of them have

been mentioned to several, if not many persons, it seems fitting that they should be explained, at least the two most important, viz.: the voting of 150 shares ($7500) of stock to George W. Scranton, and the releasing of him and his brother from a subscription for $20 000, of the capital stock of the Company, made when the subscription was taken up, to make the Southern or Eastern division of the Road.

The former, the Ex-President states, was "against his remonstrance, on ac- "count of its *illegality* and *injustice* to the Stockholders." Reference to the minutes of the Board, shows that the Ex-President was present when the vote was taken, in regard to the said 150 shares of stock, and that it was *unanimous*. This action of the Board was taken on the 3d April, 1854. On the 11th of the same month, the Ex-President wrote Mr. Scranton thus:

"On arriving at the office on Monday morning, I found that the certificate of "stock had been forwarded during my absence. There remains, therefore, "nothing for me to do further, but to congratulate you, which I can do most "sincerely, on your having merited, as well as having received, so generous and "unanimous an expression of the kind and grateful sentiments of your asso- "ciates in the Board. If I could but fancy even so noble an expression of "approbation, I should feel willing to labor much longer in this cause, than I "now expect to do."

Comment on this, the undersigned do not feel called upon to make: therefore, they will only add, that the grant was made to Mr. Scranton, as the Managers state, and as appears by the resolution of the Board, "in further compensation "for services rendered by him to this Company," the Managers being of opinion that it was no more than his just due, he having served the Company with great diligence and ability, as its General Agent, for the small salary of $1,500 per annum, and at this time had sent in his resignation,—his health being so much broken down, as to unfit him for attending to business.

As to the subscription of $20,000, by the Messrs. Scranton, it was cancelled at a meeting of the Board, 23d December, 1853—the Ex-President being in the chair—and, as he affirms, in the following language:—"On the motion of the one "just above named," (referring to the grant of stock,) "and through the influ- "ence of a present Manager, and a *special* friend of these two parties, and after "I had exhausted all means short of litigation, to enforce the payment of that "subscription." The facts of the case were stated by Mr. Daniel S. Miller, viz.: That Mr. Scranton said, when he made the subscription, he would be responsible for that amount,—either getting others to take it, or paying it himself. This statement is corroborated by Messrs. J. J. Phelps and W. E. Dodge; and by a recent letter of Mr. George W. Scranton, in which he says: "Mr. Phelps never, "to my knowledge, spoke to me nor wrote to me, about that subscription." The Managers further state, that no letters can be found, making the least reference to the subject, until 3d and 17th December, 1853. The Board say, that Mr. Scranton added, by his "special efforts, over $200,000 to the subscription."

These being the facts of the case, the Board would have been guilty of a

breach of good faith, if they had not cancelled the subscription, to which no objection appears on the record at the time it was done; and the Secretary states, most unequivocally, that the only allusion he can find to it, is in the Ex-President's letters of the 3d and 17th December, 1853, copies of which the undersigned have seen, and on those occasions the payment is not strenuously urged.

The Ex President draws a parallel between this Company and the New-York and New Haven Railroad Company, when he was a member of a committee, with one of his recent associates in this Board, to investigate the condition of that Company. The undersigned have not been able to discover any analogy, and should not advert to it, had it only been named in the papers brought before them; but knowing it to have been mentioned to several of the Stockholders, and being well calculated to cause alarm, it calls for a brief notice. So far as the undersigned recollect the facts of *that* case, the difficulty was, that the President had everything his own way. The Managers, as is thought by most persons, neglected their duties, in not looking after the officers, leaving the Company to be entirely managed by the President, who was at the same time an officer in one or more other companies, having, moreover, the entire charge of the Transfer books, without any check. But in *this* case, the main difficulty appears to have been, that the associates of the Ex-President would not permit him as much latitude as he desired; they did not sufficiently heed his suggestions. The analogy fails in another important respect; for if the undersigned are not mistaken, when the frauds in the New-York and New Haven Company were disclosed, the public were greatly surprised to learn that several of the most influential and responsible Directors owned very little stock, in some instances not more than sufficient to enable them to hold their seats at the Board. But in the case of this Company it is very different. The Managers are, some of them, the largest shareholders—a part of those who are represented as having important conflicting interests, holding the greatest amount. The persons composing the Board have standing, in their names, on the books, or in the names of firms in which they are partners, from 100 to upwards of 2,000 shares each, and in all, nearly $600,000—not far from *one-fifth of the whole capital.* In addition to which, some of them have an indirect interest in upwards of $150,000 more; besides which, they hold over half a million of the bonds of the Company, making their aggregate interest, direct and indirect, *more than one and a quarter millions of dollars*—a deeper stake, in the success of the enterprise, the undersigned believe, than is held by the Managers of any other company in this country.

More might be said, but this is deemed sufficient on this subject.

Insinuations are made that the Warren Rail-Road cost more than it ought to have done, from the circumstance, as is alleged by the Ex-President, that the construction thereof was left to the President, Mr. Blair, without much, if any, overlooking by the Directors, one of whom is a Manager of this Company;

and from the fact that a son of Mr. Blair was a partner with others for making nearly the whole line. The fact as to the latter, by an endorsement on the contract, appears to be this:—The contract was signed on the 15th December, 1854; and on the 15th February, 1855, Marcus Blair was admitted as a partner in it. As to the cost, the undersigned have examined all the contracts for the construction of the Warren Rail-Road; and some of those for the construction of this Company's Road; and caused the Secretary to make a certified statement of the average stipulated prices in all the contracts of each Company for excavation. From these statements it appears that the average contract prices on the Warren Rail-Road, (payable 1-3 in stock, and 2-3 in cash,) were, 23 3-7 cents per cubic yard for earth and loose rock, (the latter supposed not to be much,) and 77 1-10 cents per cubic yard for solid rock. On the Delaware, Lackawanna and Western Rail-Road the average prices (payable in cash) were, 24 cents for earth, 37 cents for loose rock, and 68¼ cents for solid rock. But on referring to the minutes of the Board and Committees, it appears that to these rates very large additions were made, owing to the inability of the Contractors to complete their engagements as stipulated; and this is also mentioned in the Annual Reports for the three past years, as will be seen by referring to that for 1854, p. 9—for 1855, pp. 13, 37 and 39; and 1856, p. 37. From this statement, the undersigned are of opinion that the Stockholders in this Road have no cause to complain of the cost of the Warren Rail-Road.

In conclusion, the undersigned would remark, that every facility has been afforded them by the Officers and Managers in prosecuting the investigation; and they have thus gone over all the matters brought to their notice by the Ex-President, and they have endeavored to investigate them carefully and impartially; and they take great satisfaction in unanimously stating to the Stockholders that they discover nothing in the management of the affairs of the Company to excite suspicion or distrust. The Managers have, undoubtedly, during the past three or four years, expended much of their valuable time in attending to the affairs of the Company, and, as many of them are largely engaged in business on their own account, they must have made great sacrifices of their ease and comfort in attending to these public duties in addition to their own affairs; and they have not only given their time, but they have loaned their credit to the Company, (thus incurring heavy pecuniary liabilities,) without charge, in which the Ex-President, when he was in the Board, was the largest sharer. In this connection, lest it may be inferred from so much being said, in the preceding part of the Report, as to the high rates of interest, that it has cost a large sum to carry the floating debt, the undersigned remark, that it appears, from the second and third Annual Reports, (viz., for 1854 and 1855,) that the average interest paid on the sums borrowed *was under legal rates*, and for the past year it is only a fraction over 7 per cent., which certainly shows good financiering, when the state of the money market for the past two or three years is considered, and the exorbitant rates paid by similar enterprises in so many instances.

From the best information they can obtain, the undersigned fully believe, that if the Managers continue the same zeal and ability in conducting the affairs of the Company, (and of this they have no doubt), in future years, as they have in those past, *the stock will soon be one of the best in the country;* for, in the judgment of the undersigned, the Company have all the most essential elements of success, and it only requires good management for a year or two to fully develop them to the entire satisfaction of those interested.

All of which is respectfully submitted.

NEW-YORK, *April* 14*th*, 1857.

(Signed,) C. R. ROBERT,
JAMES BROWN,
W. S. WETMORE,
GEORGE N. MILLER,
JOHN E. WILLIAMS,

Committee of Investigation.

ANALYTICAL TABLE OF CONTENTS.

PROCEEDINGS AT THE ANNUAL MEETING OF THE STOCKHOLDERS.

REMARKS OF THE VICE-PRESIDENT:— PAGE.

Announcement of opening of the Southern Division,..... 5

Preparations for business in anticipation of the opening,..... 5

Cause of delay,..... 6

Interruptions to Coal business during the year,..... 6

General results of business for 1856,..... 6

Favorable prospects,..... 6

ANNUAL REPORT OF THE TREASURER PRESENTED:—

Cause of imperfection in details of Reports when submitted at the Annual Meetings of Stockholders,..... 6

Remedies suggested,..... 7

Report accepted,..... 7

Annual Report of General Agent presented,..... 7

Ditto ditto accepted,..... 8

Remarks of Mr. John J. Phelps, in reply to various questions,..... 8

Proposed change in fiscal year,..... 8

Ditto of day for Annual Meeting,..... 8

Adjourned Meeting to be held on first Tuesday of March,..... 8

Remarks of Mr George D. Phelps,..... 9

Draft of By-Laws presented,..... 9

Committee appointed to report on same,..... 9

ADJOURNED MEETING.

Report of the Board of Managers submitted, read, and amended..... 9

Do. do. ordered to be printed and distributed,..... 10

PAGE.

Report of the General Agent read and ordered to be printed,..... 10

Reports of the several Heads of Department do. 10

Remarks of Mr. J. J. Phelps on the Finances of the Company,..... 10

Balance of 2d Mortgage Conv'ble Bonds offered to and taken by the St'kholders present, 10

Report of Committee on proposed By-Laws,..... 10

Reading of ditto,..... 11

Remarks of Mr. G. D. Phelps on 5th Article of ditto,..... 11

Maladministration imputed by him,..... 11

Committee of Investigation appointed,..... 11

By-Laws ordered to be printed and distributed, preparatory to action at a future Meeting,..... 11

ANNUAL REPORT OF BOARD OF MANAGERS.

Opening of the Southern Division,..... 12

Excursion, and Resolutions adopted by guests on that occasion, (*note*,)..... 12

Cause of delays in opening,..... 12

Tabular Statement of Expenditures for Construction of Rail-Road, Erection of Buildings, and purchase of Equipment, during the year,..... 13

Northern Division—Work upon it during the year,..... 14

Keyser's Valley Branch—Location, object, and cost of Construction,..... 14

Southern Division—Condition, &c.,..... 14

Warren Rail-Road,..... 14

Characteristics of ditto,..... 14, 15

Subscription for Capital Stock of Warren R. R. Co.,..... 15

Endorsement of Bonds of ditto, ... 15

Agreement for Lease of Warren Rail-Road,..... 15

Table showing items embraced in cost of ditto,..... 15

Loans to Warren R. R. Co.,..... 16

Examination of Accounts of Warren R. R. Co.,..... 16

Resources and liabilities of ditto, ... 17

Prosecution of work upon the Van Ness Gap Tunnel,..... 17

Eastern Division,..... 17

Improvements at Elizabeth-Port,..... 17

Ditto on Central R. R. of N. Jersey,..... 17

General Expenditure,..... 17

Locomotives and Cars procured during the year,..... 18

Coal Department,..... 18

Expenditures for opening Mines, &c.,..... 18

Quantity of Coal Lands held by Company,..... 18

PAGE.

Sale of part of Coal Estate, ("Smith Lot,") 18

Receipts and Expenses of Coal Department for the year, ... 19

Character of, and demand for Scranton Coal, ... 19

TRANSPORTATION DEPARTMENT, ... 19

Receipts and Expenses for the year, ... 19

Tariff of Rates for Freight and Passengers adopted, ... 20

Prospective increase of Business, ... 20

MACHINE AND CAR SHOPS, AND FOUNDRY, ... 20

FINANCIAL CONDITION, ... 20

(1.) Capital Stock Account, ... 20

(2.) General Account, ... 21

(3.) Income Account, ... 21, 22

(4.) Floating Debt, ... 22

(5.) Renewal Fund, ... 22

(6.) Coal Department Fund, ... 23

Legislative authority for issue of 2d Mortgage Bonds, ... 23

Proposed issue of Convertible Income Bonds, ... 23

Issue and disposal of 2d Mortgage Bonds, ... 23

Substitution of 2d Mortgage Bonds for Convertible Income Bonds, ... 23

Interest on Bonds and Stock earned and paid, ... 24

Gratifying Prospects, ... 24

Policy respecting Coal Transportation, ... 24

Subscription and settlement for Bonds of Lackawanna and Bloomsburg R. R. Co., ... 24

Manner of conducting the Office Business of the Co., ... 25

Extract from Report of Auditing Committee,—(*note,*) 25

Confidence of the Managers in the success of the Enterprise, ... 26

EXTRACTS FROM MINUTES OF THE BOARD OF MANAGERS AND FINANCE COMMITTEE in relation to the Warren Rail-Road Co., ... 27

Finance Committee instructed to receive and examine Accounts, and prepare Lease of Warren Rail-Road, ... 27

Verbal Report by Mr. Groves on accounts of W. R. R. Co., to Finance Committee, 27

Surrender of Warren R. R. to D. L. and W. R R. Co.,—(*note,*) 27

Vote of thanks to J. I. Blair, Esq, ... 28

Mr. Groves' Report on accounts of Warren R. R. Co., ... 28

Balance-Sheet from Books of Warren R. R. Co, ... 29

BALANCE-SHEET of Delaware, Lackawanna and Western R. R. Co, ... 30

Exhibit "A"—Income Account, 1856, ... 31

Exhibit "B"—Transportation Account, 1856, ... 32

Exhibit "C"—Coal Revenue Account, " 33

PAGE.

Coal Tonnage Account,..... 32

Summary of Liabilities and Assets at the several dates stated..... 33

Comparative Statement of Earnings and Expenses of Transportation and Coal Departments for 4 years,..... 34

Comparative Statement of Interest paid, and Contributions to "Renewal and Coal Department" Funds, for 4 years,..... 34

GENERAL AGENT'S REPORT.

COAL DEPARTMENT,..... 35

Estimated product of Company's Mines for 1857,..... 35

Coal from other sources in 1857,..... 35

Prosecution of work in opening Mines,..... 35

Estimated Expenditure for opening mines in 1857,..... 36

Capacity of Rail-Road,..... 36

Estimated Passenger Earnings for 1857,..... 36

CAYUGA DIVISION—Its condition,..... 36

NORTHERN DIVISION,..... 37

Improvements during the year,..... 37

Closing of Construction Account,..... 37

KEYSER VALLEY BRANCH,..... 37

SOUTHERN DIVISION,..... 37

Characteristics and Condition,..... 37

Progress of double Track,..... 37

WARREN RAIL-ROAD,..... 38

Condition and Improvements,..... 38

Works at Washington on the Morris Canal,..... 38

IMPROVEMENTS AT ELIZABETH PORT,..... 38

ROLLING STOCK..... 38

GENERAL COAL AGENT'S REPORT.

DIAMOND MINES,..... 39

Quantity and Quality of Coal produced, in 1856..... 39

Expenditures for new works,..... 39

BELLEVUE MINES,..... 39

Works and Expenditures,..... 39

Statement of Coal purchased in 1856,..... 39

" " mined " 40

Statement of Sales and Stock on hand,..... 40

PAGE.

Demand for Coal in Northern and Western markets,..... 40

Statement of Coal sent to market to 31st December, 1856,..... 41

REPORT OF SUPERINTENDENT OF CAYUGA DIVISION.

Revenue from Transportation on Cayuga Division in 1856,..... 42

Expenses of " " " 42

List of Engines in use on Cayuga Division, with cost of oil and waste, wages of Enginemen, Firemen, &c.,..... 43

" " " cost of Repairs, Fuel, &c.,..... 44

Repairs and Renewals on Cayuga Division during the year,..... 44

REPORT OF ACTING MANAGER OF MACHINE AND CAR SHOPS AND FOUNDRIES AT SCRANTON.

General Statement of Business for the year,..... 45

Business of 1856 compared with that of 1855,..... 45

Expenditure for Labor and Materials during the year, (each month,)..... 45

Tabular Statement, showing amount of work done, and on what account,..... 46

Items explanatory of Tabular Statement on page 46,..... 47

Statement of Business of Brass Foundry, ... 48

" " Iron Foundry,..... 49

List of Locomotives on Northern and Southern Division, and Warren Rail Road, showing service and cost of repairs in 1856,..... 50, 51

GENERAL LAND AGENT'S REPORT.

Number of cases of Right of Way remaining unsettled,..... 52

Suits against the Company,..... 52

GENERAL FREIGHT AGENT'S REPORT.

Statement showing Revenue from Freight, with tonnage and mileage,..... 53

Do. of Revenue from the several Divisions of the Road,..... 54

Do. showing sources of Revenue on the Divisions of the Road and amount,..... 55

Do. " monthly Freight Earnings of Cayuga Division in 1856,..... 56

Do. " " " of Northern " " 57

Do. " " " of Southern " " 58

Do. " " " of Warren Rail-Road, " 59

GENERAL TICKET AGENT'S REPORT.

PAGE.

Statement showing Number of Passengers and Mileage on each Division, with Revenue derived therefrom,.... 60

Passenger Earnings of Cayuga and Northern Division in 1856, compared with 1855,.... 60

Comparative Statement of monthly Passenger Earnings of Cayuga and Northern Divisions, in 1855 and 1856,.... 61

Passenger business on Southern Division and Warren Rail-Road in 1856, and estimate for 1857,.... 62

Connection with Belvidere Delaware Rail-Road,.... 62

Facilities for Passenger business on Southern Division and Warren Rail-Road,.... 62

Gratifying results of Passenger business,.... 62

—o—

LETTER FROM THE TREASURER OF THE LACKAWANNA AND BLOOMSBURG RAIL-ROAD CO. 63

Progress and Condition of L. & B. R. R.,.... 63

Financial Condition of L. & B. R. R. Co,.... 63

Receipts and Expenses of L. & B. R. R., since opening,.... 63

Prospects of L. & B. R. R. Co.,.... 62

Balance-Sheet of L. & B. R. R. Co., Dec. 31, 1756,.... 64

SPECIAL MEETING OF STOCKHOLDERS.

April 15, 1857.

PAGE.

Reading and Approval of Minutes,.... 65

Object of Meeting stated,.... 65

Report of Committee of Investigation, presented and Read,.... 65

Acceptance of Report,.... 65

Vote of thanks to Committee,.... 66

Adoption of Report,.... 66

Proposed By-Laws laid on table,.... 66

Present By-Laws approved and continued in force,.... 66

REPORT OF INVESTIGATING COMMITTEE.

PAGE.

Extract from Minutes of Proceedings at Adjourned Meeting of Stockholders, appointing Committee, and authorizing the Investigation, ... 66

Organization of Committee 67

Extent of Documents submitted, and general statement of labors of Committee, ... 67

Contents of Communication from Ex-President, ... 67

Charge of "Extra Official Acts of the Treasurer," 67

1st Specification, ... 67

2d. Specification, ... 68

3d. Specification, ... 68

Facts regarding payment of $200 Interest to Mr. Blair, ... 68, 69

Opinion of Committee thereon, ... 69, 70

Facts relative to commission of $800 on Mr. Sprague's Endorsements, ... 70

Facts relative to settlement with Mr. Mills for Bonds, ... 70

Opinion of Committee, ... 70

Auditor at present unnecessary, ... 71

Examination of Treasurer's Accounts by Committee of Investigation, ... 71

" " " by Auditing Committee, ... 71

Remarks of Committee in relation to interest of Managers in alleged conflicting Enterprises, ... 71

Rule of Board relative to action of Managers interested in important questions submitted to Board, ... 72

LEHIGH AND TOBYHANNA LAND COMPANY, ... 72

Ex-President's Statements, ... 72

Statements of the Board, ... 72

Extract from Report of Special Committee of Board on that subject, ... 72

Extracts from Affidavits of E. McNeill and S. T. Scranton, ... 73

Opinion of Committee, ... 73

CONSULTING ENGINEER, ... 73

CONTRACT WITH UNION IRON AND COAL COMPANY, ... 73

Statement of Ex-President, ... 73

Remarks of Committee, ... 73, 74

Cost of Repairs of Coal Cars, ... 74

Expense of Oil and Brakemen, ... 75

Opinion of Committee, ... 75

CAPITAL STOCK VOTED TO G. W. SCRANTON, ... 76

Ex-President's Alleged Opposition, ... 76

Vote granting the same unanimous, ... 76

Copy of Ex-President's Letter to Mr. Scranton, ... 76

PAGE.

Reason for Voting such Stock to Mr. Scranton,..... 76

Remarks of Committee,..... 76

SUBSCRIPTION FOR STOCK BY MESSRS. SCRANTON,..... 76

Statements of Ex-President,..... 76

Facts relative to the matter,..... 76

Opinion of Committee,.....76, 77

PARALLEL DRAWN BY EX-PRESIDENT BETWEEN THIS COMPANY AND NEW-YORK AND NEW-HAVEN RAILROAD COMPANY,..... 77

Remarks of Committee,..... 77

PECUNIARY INTEREST OF MANAGERS IN SUCCESS OF THE COMPANY..... 77

COST OF WARREN RAILROAD COMPANY,..... 77

Average Prices paid for Work on W. R. R,..... 78

Ditto. do. do. on D. L & W. R. R.,..... 78

Remarks of Committee,..... 78

CONCLUDING STATEMENTS OF COMMITTEE,..... 78

Nothing discovered to occasion suspicion or distrust,..... 78

Sacrifices of the Managers,..... 78

Low Rates of Interest Paid,..... 78

Flattering Prospects of the Company,..... 79

28
185

FIFTH

ANNUAL REPORT

OF THE

PRESIDENT AND MANAGERS

OF THE

Delaware, Lackawanna and Western Rail-Road Co.

TO THE STOCKHOLDERS;

AND

REPORT OF THE COMMITTEE

TO

SUPERVISE SETTLEMENTS.

NEW-YORK:
GEORGE F. NESBITT & CO., PRINTERS.

1858.

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NEW-YORK:
GEORGE F. NESBITT & CO., PRINTERS,
1858.

OFFICERS

OF THE

Delaware, Lackawanna and Western Rail-Road Co.

FOR 1858.

C. R. ROBERT,.....PRESIDENT.
RUFUS R. GRAVES,.....*Vice-President.*
———(Vacant)———,.....*Treasurer.*
ANDREW J. ODELL,.....*Secretary.*

MANAGERS.

DRAKE MILLS,
JOHN J. PHELPS,
DAVID S. DODGE,
MOSES TAYLOR,
GEORGE BULKLEY,
GEORGE W. SCRANTON,
JOHN I. BLAIR,
CRISTOPHER R. ROBERT,
HENRY YOUNG,
CHARLES H. MARSHALL,
SAMUEL L. MITCHILL,
RUFUS R. GRAVES.

STANDING COMMITTEES.

Executive Committee.

RUFUS R. GRAVES,
MOSES TAYLOR,
GEORGE BULKLEY,
JOHN I. BLAIR,
JOHN J. PHELPS,

Coal Committee.

DRAKE MILLS,
CHARLES H. MARSHALL,
DAVID S. DODGE,
GEORGE BULKLEY,
JOHN I. BLAIR.

Finance Committee.

MOSES TAYLOR,
JOHN J. PHELPS,
JOHN I. BLAIR,
RUFUS R. GRAVES,

Barge Committee.

CHARLES H. MARSHALL,
GEORGE BULKLEY,
DRAKE MILLS,
SAMUEL L. MITCHILL,

Committee on Accounts.

HENRY YOUNG,
RUFUS R. GRAVES.

ANNUAL REPORT

FOR

1857.

[At a meeting of the Stockholders, held on 29th June, 1858, the following Report was submitted, and ordered to be published :—]

The embarrassments of last fall which rendered frequent meetings of the Stockholders and Bondholders of this Company necessary, was the means, through the statements then submitted, of so fully bringing to their knowledge its financial affairs, as to obviate the necessity at this time of submitting an elaborate and detailed report. The main object of this brief statement, will, therefore, be to convey information concerning the business, revenue, and expenditures of the several departments for the twelve months ending 31st December last, and to show the condition of the road, mines, and other property, at the close of the year.*

REVENUE.

1ST.—TRANSPORTATION DEPARTMENT.

The gross earnings of the various branches of income in this department, were as follows:—

From	Transportation	of	Coal,	$821,277 55†
"	"	"	Merchandise	268,249 97
"	"	"	Express Freight,	6,152 74
"	"	"	Mail Freight,	10,020 46
"	"	"	Passengers,	151,389 64
"	"	"	Extra Baggage,	334 27

* The settlements under the plan of resuscitation adopted at a meeting held on 21st October, 1857, being adjusted to 1st December last, it was deemed necessary to include such settlements in the accounts for the past year. This prevented the closing of the books, and has thus been the principal reason for delaying the preparation and presentation of this report.

† The amount of earnings from transportation of Coal should be reduced some $75,000, which is the apparent profit accrued from charging to the Coal department a higher rate of freight over the N. Y. Central, N. J. & E., and Syracuse & Bing. Railroads, than was actually paid.

The amount so deducted should be added to the profits on Coal, and the net revenue from all sources for the year will remain the same.

This correction should be made for the proper comparison of the transportation earnings of 1857, with those of 1858, which latter are made up from the reduced rate.

From Storage,.....	105 10	
" Telegraph,.....	665 74	
" Rents	1,476 07	
" Use of Locomotives,.....	13,616 92	
" " " Cars,.....	9,937 83	
		$1,283,226 29
The aggregate Expenses were.....		608,727 51
Net Revenue from Transportation Department,.....		$674,498 78

2D.—COAL DEPARTMENT.

(TONNAGE.)

The Stock of Coal on hand 31st December 1856 was.....tons,		28,605.05
The quantity forwarded to market in 1857, was as follows:—		
Mined by Company.....tons,	171,550.04	
Purchased..... "	248,008.02	
		419,558.06
		448,163.11
The aggregate Sales in 1857 were,..... .....404,873.01		
Stock on hand 31st December 1857.....		43,290.10

(REVENUE.)

Amount received for Coal sold in 1857 was $1,398,488 65		
" " " Rents (Coal Dept.) in 1857 was...	3,952 39	
Value of Coal on hand 31st December, 1857,.....	139,720 77	
		$1,542,161 81
The aggregate Expenses of Coal Dept. in 1857, were...$1,369,731 35		
Value of Coal on hand 31st December, 1856,.....	101,299 70	
		$1,471,031 05
Net Revenue from Coal Department.....		$71,130 76

3D.—INCOME ACCOUNT.

CR.

Balance to credit of this account 31st December, 1856..	$58,563 81	
Net Revenue in 1857, viz.:—		
Transportation Department,.....$674.498 78		
Coal Department,... ..... 71,130 76		
	745,629 54	
Interest on Stock and Bonds of Warren and Lack. and Bloomsburg R. R. Co.'s,.....	25,020 21	
		$829,213 56

DR.

One year's Interest on $900,000 First Mortgage Bonds, 1871,.....	$63,000 00	
One year's Interest on $1,500,000 East. Ex. Bonds, 1875,	105,000 00	
Interest on $2,583,500 Second Mortgage Bonds, 1881,..	175,303 34	
Interest on floating debt (General Interest Account,)...	100,707 98	
Rent of Warren R. R.,.....	97,570 37	
" " Cay. and Sus. R. R.,.....	68,750 00	
		$610,331 69
Balance, (Net Income,).....		$218,881 87
Equal to 6 per cent. on the Capital Stock, which amounted on 31st December last to.....		$3,360,250 00

4TH.—EXPENDITURES.

(1.)—CONSTRUCTION ACCOUNT.

The Cost of the R. R. and its equipment to 31st December, 1856, was		$8,013,761 08
The Expenditures chargeable to this account in 1857, were as follows:—		
On Cayuga Division	$65 00	
" Northern Division	51,682 16	
" Keyser's Valley Branch	472 52	
" Southern Division	230,126 36	
" Eastern Division	28,511 90	
For additional Equipment	319,119 39	
" Discount on Convertible Mortgage Bonds, 1881	118,750 00	
		$748,727 33
Total Cost of Road and Equipment to 31st December, 1857		$8,762,488 41

(2.)—VESSEL PROPERTY IN NEW-YORK.

The amount expended on this account to 31st December, 1856, was.	$17,016 39
Amount paid for new barges in 1857	26 261 30
Total,	$43,277 69

(3.)—WARREN RAIL-ROAD.

The cost of this road to 31st December, 1856, as stated in the last annual report, was	$1,394,831 18
This Company have expended in 1857, on account of this road	106.672 68
(For the amount so advanced, in pursuance of contract, this Company receive an equal amount of Warren Rail-Road stock.)	
Total cost of Warren Rail-Road to 31st December, 1857,	$1,501,503 86

(4.)—COAL DEPARTMENT CONSTRUCTION.

The aggregate of this account 31st December, 1856, was	$395,227 66
Expenditures for opening mines and providing the necessary machinery, &c., for mining and preparing Coal during the past year,	55,165 35
Total	$450,393 01

RENEWAL FUND.

The amount of credit of this fund on the 31st December 1856, viz.: $133,526 60, has remained undisturbed – all repairs and renewals of the road, and equipment, having been debited to the expenses of transportation.

COAL DEPARTMENT FUND.

The amount of this account on 31st December, 1856, was	$51,896 53
One of the Coal Breakers at the Diamond Mines was destroyed by fire in June last, and the cost of rebuilding was a proper charge to this account. It was restored at an expense of	18,613 08
Balance on 31st December, 1957,	$33,283 45

5TH.—GENERAL ACCOUNT.

DR.—To construction and equipment of R. R.....	$8,762,488	41	
Cost of coal lands and mining improvements,	450,393	01	
Cost of materials on hand,.....	133,731	64	
Value of Coal on hand,.....	139,720	77	
Real estate in New-York,.....	24 181	33	
Stock W. R. R. Company,.....	279,308	00	
Stock L. & B. R. R. Company,.....	142,450	00	
Bonds, " " ($50,000,)...	40,000	00	
Bonds W. R. R. Company,.....	20,000	00	
Bills and accounts receivable,.....	530,358	55	
Cash on hand,.....	22,361	88	
Coupons funded, (maturing in 1857,).....	286,270	83	
Coal yards, ...	2,784	20	
Cash in hands of Com. of Supervision,.....	104,230	65	
Vessel property in New-York.....	43,277	69	
Advanced on account of Coal Dept., 1858,..	23,044	61	-$11,004,601 5

CR.—By capital stock, amount paid in,.....	$3,360,872	50	
Mortgage bonds of 1871,.....	906,000	00	
Eastern extension bonds of 1875,.....	1,500,000	00	
Con. mortgage bonds, of 1881, $2,600,000.			
Less amount unsold,..... 16,500,—	2,583,500	00	
Interest accrued on bonds to 31st December, 1857,.....	25,602	50	
Interest accrued on capital stock to 31st December, 1857.....	4,527	64	
Interest accrued on bonds and stock W. R. R. to 31st December, 1857,.....	51,580	37	
Bills and accounts payable, ...	966,559	36	
Balance Account personal property received from C. & S. R. R. Company,....	43,334	24	
Renewal fund,.....	133,526	60	
Coal Department fund,.....	33,283	45	
Income account,.....	218,881	87	
Certificates for income convertible bonds of 1862,.....	436,835	00	
Certificates for income convertible bonds of 1867,.....	741,770	79	
Fractional certificates Warren Rail-Road stock outstanding,.....	4 327	25	--11,004,601 5

6TH.—FINANCES.

(1.)—ASSETS.

Bills and accounts receivable,.....	$530,358	55	
Materials on hand,..... ...	133,731	64	
Cash "	22,361	88	
Coal "	139,720	77	
Vessel property in New-York,.....	43,277	69	
Coal-yards in New-York and Jersey City.....	2,784	20	
Real estate in New-York,.....	24.181	33	
Stock Warren R. R. Company,.....	279,308	00	
Bonds " "	20,000	00	
Bonds L. & B. R. R. Company,.....	40,000	00	
Stock " "	142,450	00	
Advanced on account of Coal Department expenses of 1858,.....	23,044	61	
Cash in hands of Committee of Supervision.....	104,230	65	—$1,505,449 3

(2.)—LIABILITIES.

Bills payable outstanding 31st December, 1857, as follows:—

Payable in 1858,.....	$314,079 52	
Payable in 1859,.....	265,836 86	
Payable in 1860,.....	26,670 66—	$606,587 04
Accounts payable, (including accrued interest,).....		421,715 33
		$1,088,302 37

For a statement of matters more intimately connected with the operation and condition of the rail-road, mines, machine shops, &c., reference may be made to the succinct statement of the general agent, hereto attached.

It will suffice to say briefly here, that the rail-road, mines, machinery, and fixtures, belonging to the Company, are all in excellent condition; and that the operations are being conducted with great economy, regularity and accuracy.

The delay in presenting this report renders it proper to add that, immediately after the last annual election, Mr. Wm. E. Warren (then elected to the office of Treasurer) tendered to the Board his resignation of that office; which was laid on the table, and it was only at the urgent request of the Board, Mr. Warren consented to continue until the settlements in progress were completed. On the 30th April, at his solicitation, the Board accepted his resignation, and he retired from office on 1st May. A thorough examination of the accounts in his charge, both as Treasurer and agent for the assignees, shows the fidelity and correctness with which he performed his duties; and the Board take pleasure in presenting, in connection with this report, the certificate of Mr. W. A. Whitehead, testifying to the accuracy and clearness which characterize the accounts so examined.

Respectfully submitted,

C. R. ROBERT, *President.*

NEW-YORK, *June 29th*, 1858.

MANAGERS.

DRAKE MILLS,	JOHN I. BLAIR,
JOHN J. PHELPS,	CHRISTOPHER R. ROBERT,
DAVID S. DODGE,	HENRY YOUNG,
MOSES TAYLOR,	CHARLES H. MARSHALL,
GEORGE BULKLEY,	SAMUEL L. MITCHILL,
GEORGE W. SCRANTON,	RUFUS R. GRAVES.

GENERAL AGENT'S REPORT.

SCRANTON, PA., *January* 1, 1858.

TO THE PRESIDENT AND BOARD OF MANAGERS.

GENTLEMEN:—I beg to submit the following Report in regard to the condition of the Rail-Road and Mines, and the general business of the Company.

1ST.—CAYUGA DIVISION.

The operations of this Division were seriously impeded by frequent floods during the summer and fall. The delays thus occasioned, and the necessary repairs and renewals, have greatly diminished the receipts and increased the expenses. The Division is now in very good repair, although some defective rails must be replaced to insure safety and economy. The Coal Deposit-grounds, and all fixtures therewith connected, at Ithaca, are in good condition, as are also all the buildings, bridges and timber structures along the line.

2D.—NORTHERN DIVISION.

There have been 3½ miles of switch track laid the past year on this Division. Five miles of the curves have been relaid on hard-wood ties; and 32.000 similar ties have been put in other portions of the track. The cuts have been cleaned out, and the embankments nearly finished. A new depot has been erected at Montrose, and a new bridge over Tillinghast's Creek. The whole Division, including the Keyser's Valley Branch, is in excellent condition.

3D.—SOUTHERN DIVISION.

The rains of last year caused considerable damage to this Division; and heavy stone walls were built to prevent the recurrence of an overflow from Roaring Brook. The second track from Scranton to Greenville, (six miles,) has remained unfit for business since these floods—no necessity having existed for its use. Its restoration would facilitate the movements of Coal trains. The arching of the Pocono Tunnel was finished and trains passed through in September last. Two miles of second track and three miles of switch track have been added during the year. Depots have been built at Oakland, Water Gap and Marshfield. It became necessary to blast considerable rock from the bed of Brodhead's Creek, at a point where the channel was changed, in order to afford navigation for rafts; the Company having had to pay every year for lumber unable to pass that point. The piers of the Delaware Bridge were strengthened after the injury done by the ice freshet in the spring, and are now able to withstand any similar danger. The road-bed on this Division is one of the best in the country, and can be kept in repair at minimum rates.

4TH.—WARREN RAIL-ROAD.

A large amount was expended the past year on this road, in widening cuts, raising embankments, &c.; so that it is now in very fair order. A Coal depot and pockets have been nearly finished at Washington. A workshop has been erected at Junction, and a dwelling-house for our Agent. A depot has also been partially completed at that point, at the joint expense of the Central R. R. Co. of N. J. and this Company. The Van Ness Gap Tunnel is progressing slowly—the expenditure being limited to $2,500 per month. The completion of this Tunnel will save three miles of distance, and avoid a present grade of 70 feet per mile against the trade—reducing the grade to 22 feet per mile.

5TH.—EASTERN DIVISION.

This Division comprises the piers and docks at Elizabeth Port and Jersey City. The Company own the former; and lease the latter. No further outlay is required at Jersey City. At Elizabeth Port, it will be necessary to provide more facilities for dumping and shipping Coal, to insure regularity and economy in an increased business.

6TH.—EQUIPMENT.

The whole number of locomotive engines now owned by the Company is 65; 48 of which burn wood, and 17 coal. The number of cars on hand 31st December, 1857, was 3,122, which may be classified as follows:—

First class passenger cars,	16
Second class do.	2
Baggage and express,	5
House,	136
Platform,	196
Eight-wheel coal cars,	291
Four-wheel coal cars,	2,475
Wreck car,	1

With the present equipment we can transport, in addition to our other general business, 1,000 tons of Coal north, and 1,500 tons south, daily.

8TH.—MACHINE AND CAR SHOPS.

The amount of work done (including labor and materials) at these shops, during the year, was $264,081 80; the principal items of which were repairs of engines, cars, &c., $135,959 59, and the construction of 250 new cars, $96,497 05. Of the cars made, 7 were house freight cars, 136 eight wheel Coal cars, and 107 four wheel Coal cars.

9TH.—OPERATION OF RAIL-ROAD.

There was carried during the year 687,763 tons of Coal and other freight; the gross revenue from which was $1,105,700 72.

The whole number of Passengers carried was 126,384, and the gross revenue therefrom was $151,723 91.

The monthly earnings are shown by the following table :—

January,.....	$70,410 98
February,.....	98,144 85
March,.....	122,214 91
April,.....	107,643 81
May,.....	133,777 83
June,.....	142,681 60
July,.....	132,983 24
August,.....	148,653 69
September,.....	133,744 94
October,.....	68,831 00
November,.....	49,044 05
December,.....	73,619 32
Total,.....	$1,281,750 22

During the year, no accident has occurred to our Passenger trains, not the slightest personal injury has been done to a person thereon, and they have lost but one connection since May last; there have been no collisions, and but very few accidents of any kind upon the Road, and all the trains have run with great regularity. Since the organization of the Company not one dollar has been paid for lost baggage.

The improved condition of the track, and the acquisition by our men of a better knowledge as to the proper management of the coal trains upon the Southern Division, has and will continue to greatly decrease the damage to cars, and consequently the cost of repairs.

Our telegraph is in good condition; its utility cannot be overestimated. It increases the business capacity of the Road, furnishes the most economical, safe and effective means for operating it, and keeps the officers constantly informed of the business in every department upon the entire line. The cost of operating has been materially reduced by devolving the duties of agent and operator upon one person wherever it was practicable.

Reductions, both in the price paid and the number of persons employed, have been made in every department of the service, as far as a wise economy seemed to dictate; and I think we may justly lay claim to having as competent, faithful and trustworthy men as can be found in the service of any Company.

10TH.—COAL DEPARTMENT.

The present condition of the mines is generally good. A tunnel is being carried through the fault, at No. 2 Slope, Diamond Mines, to the "E," or Diamond Vein. The coal-breaker at No. 1 Slope, which was destroyed by fire in June last, has been replaced by a new one not excelled by any other in the State. It is important that No. 2 double shaft be completed, being our main reliance as a pumping shaft for the Diamond Mines generally.

The Bellevue Mines, slope and shaft, have not been worked since 1st of October last, and have been permitted to fill up with water, not being willing, under the pressure of the times, and almost entire abandonment of all sales of Coal,

to incur the expenditure incident to keeping the pumps at work. I do not apprehend any serious difficulty in clearing these works from the water when necessary to resume mining again.

In addition to their own mines, the Company are mining Coal from lands belonging to the Scranton Coal Company, near Bellevue, and also from the Hampton Colliery, (G. H. Coursen,) in Keyser's Valley, of both of which they have obtained leases.

The following tables show the sources from whence the coal sent to market in 1857, was obtained, and the monthly shipments:—

Coal Mined and Purchased by the Company during the year 1857.

NAME OF MINES.	BY WHOM WORKED.	TONS.	CWT.
Diamond,	D. L. & W. R. R. Co.,	109,609	15
Bellevue,	Do. do.	37,394	0
Hampton,	Do. do. on lease,	38,514	8
Scranton Coal Company's,	Do. do. do.	3,013	4
Clark's,	Judson Clark,	66,799	2
Swetland's,	Howell & Co.,	34,196	6
N. Y. and Pa. Co.'s,	N. Y. & Pa. Co.,	27,811	8
Luzerne Company's,	Luzerne Co.,	34,554	12
National Anthracite Co.'s,	National Anthracite Co.,	29,997	6
Penn. Anthracite Co.'s,	Penn. Anthracite Co.,	29,656	14
Pine Brook,	Lacka. Iron and Coal Co.,	7,555	7
Morgan's, (Pittston),	David Morgan,	25	11
	Total in 1857,	419,127	13
	Do. 1856,	267,893	10
	Increase, equal to 56 per ct.,	151,234	3

Monthly Shipments during the Year 1857.

MONTH.	On Account of Company.	On Private Account.	Total.
January,	22,808 13	4,321 7	27,130 0
February,	24,349 14	5,244 10	29,594 4
March,	36,294 15	8,044 15	44,339 10
April,	34,758 2	2,565 13	37,323 15
May,	44,285 10	6,298 2	50,583 12
June,	49,867 14	5,811 11	55,679 5
July,	47,722 10	7,385 3	55,107 13
August,	53,386 17	9,052 0	62,438 17
September,	47,145 12	8,777 1	55,922 13
October,	19.015 3	6,571 9	25,586 12
November,	14,951 5	1,605 5	16,556 10
December,	24,541 18	5,218 7	29,760 5
	419,127 13	70,895 3	490,022 16

By our contract with the Syracuse, Binghamton and New-York R. R. Co., we are enabled to run our Coal with our own motive power by an unbroken gauge a distance of 140 miles, to Syracuse; at which point convenient dumping grounds and pockets have just been completed, whereby we can now tranship Coal immediately from the cars into the larger class of boats on the Erie Canal with the greatest possible dispatch, and with but very little loss of time to boatmen.

The farms and tenements of the Company, in charge of the Coal Department, are in good condition, and have been satisfactorily rented.

All of which is respectfully submitted,

JAMES ARCHBALD,
General Agent.

THE DELAWARE, LACKAWANNA AND WESTERN RAIL ROAD COMPANY.—FINANCIAL STATEMENT, JUNE 26TH, 1858.

LIABILITIES.

Bills payable in 1858	$225,000	
Paymaster's Drafts, 1858	55,000	
" Certificates, 1858	10,000	
		$290,000
Due Employees and for materials on the line of the Road,		80,000
Due connecting Roads for freight on Coal, &c.		31,000
Due for Interest and Road Rent, being amount accrued and unpaid this date		159,050
Amount outstanding liabilities, maturing before January, 1859		$560,050
Add bills payable in 1859	310,000	
" " 1860	67,000	
		377,000
Total outstanding liabilities on 26th June, 1858, (including accrued Interest,		$937,050

This aggregate does not include any interest accruing between this date and 31st December next; nor does it comprise the amount to be expended on the Van Ness Gap Tunnel, ($2,500 per month,) which expenditure became unavoidable by a settlement with the contractors, to prevent litigation. Neither is any provision made for the sinking fund, of which there is still required for the year 1858, about $20,000.

ASSETS.

AVAILABLE FOR PAYING DEBTS.

Cash on hand	$67,081 06	
Bills receivable, due chiefly in four months, and all in 1858	160,000 00	
Accounts receivable on demand	120,000 00	
Coal on hand at the several points of distribution, 62,000 tons	186,000 00	
		$533,081 06
Balance of liabilities over assets immediately available, to be provided for from the earnings of the Road during the remainder of 1858, and in 1859		$403,968 94

There are also on hand the following assets not at present available for the payment of debts, viz.:—

Wood and materials, available to operate Road	$145,000 00	
Bonds and Mortgages, Judgment Notes, good and available within twelve and eighteen months	66,495 81	
Lackawanna and Bloomsburg Rail Road 1st Mortgage Bonds, $50,000, at 70 per cent.	35,000 00	
Warren Rail Road 1st Mortgage Bonds, $20,000 at 80 per cent.	16,000 00	
		262,495 81
		$141,473 13

It will thus be seen that there are available assets now on hand, amounting to $533,081 06, against ascertained liabilities maturing during the remainder of this year, $560,050.

DEBT.

First Mortgage Bonds of 1871,		$900,000
" " " 1875,		1,500,000
Second " " 1881,	$2,600,000	
Less amount not issued,	$16,500	
Less amount received on Beaver-street store at sale,	15,000	
	31,500	
		2,568,500
Total Mortgage Bonds,		$4,968,500
Income Bonds of 1862, issued,	$460,000	
" " 1865, "	19,000	
" " 1867, "	767,650	
		1,246,650
Aggregate of Funded Debt,		$6,215,150
Bills payable in 1858,	$290,000	
" " 1859,	310,000	
" " 1860,	67,000	
		667,000
		$6,882,150
Add accrued Interest, and amount due for Labor, Materials, &c.,		270,000
Total Debt, June 26, 1858,		$7,152,150
Deduct available assets as above		533,081
Balance of Debt,		$6,619,069

Balance of debt June 26, 1858, as above,		$6,619,069
Balance of debt at date of Assignment, 21st September, 1857, viz.:—		
Funded Debt,	$4,983,500	
Floating Debt,	$1,700,000	
Less available Assets,	364,598	
	1,335,402	
		6,318,902
Apparent increase,		$300,167
From this increase, however, should be deducted the amount of Coupons maturing after this date, which have been surrendered and exchanged for Bonds, included in the $460,000 of Income Bonds of 1862, above,		189,000
		$111,167

REPORT OF COMMITTEE OF SUPERVISION.

THE undersigned, who were appointed at a meeting of the Stockholders of the DELAWARE, LACKAWANNA AND WESTERN RAIL-ROAD COMPANY, held on the second of December last, to supervise the settlement of the subscriptions to the plan for relieving the Company from embarrassment, respectfully

REPORT.

That, owing to the large number of subscribers, and the great variety of interests, it has taken a much longer time to make the settlement than was anticipated; but the undersigned flatter themselves that they will not be chargeable with a want of due diligence, when they state that the completion of the plan for the resuscitation of the Company involved upwards of two thousand distinct and separate transactions—the details consequent upon the proper adjustment of which were attended to by the late Treasurer, Mr. William E. Warren, with great ability, industry, and cheerfulness, though at the same time he had other arduous duties to perform: and for this service the undersigned feel that their grateful acknowledgments, as well as those of all interested, are due to him. Taking the order in which the several interests appear on the subscription paper, the undersigned submit the following statement, viz.:—

FIRST.—Assessments of Ten per cent. have been settled on $2,740,000 of Stock, and there has been surrendered to the Trustees $41,950, being the half of $83,900; thus making an aggregate contribution on $2,823,900 of Stock, or nearly $324,000 over the amount fixed in the agreement.

SECOND.—The Board of Managers of THE WARREN RAIL-ROAD COMPANY, with the sanction of a meeting of the Stockholders, have reduced the interest on the Stock of the said Company to *Five and One-Quarter per cent.* per annum, (as stated in the report of December 2d, in lieu of surrendering 25 per cent. of their respective shares,) and a lease in accordance with this arrangement has been duly executed.

THIRD.—The President and Directors of the CAYUGA AND SUSQUEHANNA RAIL-ROAD COMPANY have reduced the annual rent of that Road from $70,000 to $54,600, as will appear by a supplemental contract for the use of the said Road.

FOURTH.—The holders of First Mortgage Bonds to the amount of $1,945,500 have been settled with for one year's interest thereon.

FIFTH.—The holders of Second Mortgage Bonds, to the amount of $2,366,000, have been settled with for two years' interest thereon. The aggregate settlement of the two classes of Bonds is therefore $4,311,500—an excess of $66,000 on the Second Mortgage over the limit assigned, against a deficiency in the First Mortgage Bonds of $154,500—the two years' interest on the former about balancing the one year's on the latter.

SIXTH.—The preferred creditors under the assignment have all been settled with.

SEVENTH.—The general creditors have all been settled with, except about $11,000, a part of which is in small sums on the line of the Road, and the claims for a large part of the balance have not been presented. The Managers of one Bank, whose President signed the agreement surrendered the notes held by them, and took a certificate for the amount, payable in Bonds, have declined to receive them; but the undersigned are advised by counsel that they cannot successfully repudiate the act of their President.

Though the stock subscription exceeds the limit fixed by over $300,000, there still remain more than $100,000 of subscriptions unsettled, and of first and second Mortgage Bonds over $150,000, principally of first Mortgage Bonds. Some of the parties making these subscriptions have been prevented from complying with their engagements by circumstances beyond their control—occurring since the subscriptions were made. It is believed, however, that a considerable part of these coupons will yet be surrendered, and from the holders of some of those that are not, the undersigned have assurances that they will give the Company no trouble; but, be this as it may, the excess of settled subscriptions on the stock

will more than compensate for any deficiency on the Bonds and Debt not settled.

Therefore, the undersigned deeming the spirit of the agreement fully complied with, and the assignment being raised the latter part of April, the funds and notes in the hands of the undersigned were handed over, and the Company assumed the conduct of its business, under the direction of the Board of Managers, to whom the undersigned refer for a statement of its financial affairs at the present time.

The following obligations have been issued, viz.:—

Bonds payable in five years, in settlement of coupons, delivered and ready to deliver,	$420,000	
To be prepared when called for, and on the presentation of the certificates	40,000	
		$460,000 00
Bonds payable in ten years, in settlement of general debt, delivered and ready to deliver,	743,400	
To be prepared when called for, and on the presentation of the certificates,	23,750	
		767,150 00
Bonds payable in eight years,		19,000 00
Amount of Bonds issued under the agreement,		$1,246,150 00
Notes, including those passed to creditors having security,		569,865 68
Total of Bonds and Notes,		$1,816,015 68

Some of the coupons have been delivered to the Trustees, as will be the others as soon as the necessary list can be prepared, and receipts will then be given to such as desire it.

The undersigned having thus, as they believe, finished the duty assigned them, respectfully request to be discharged from further attention to the matter.

Signed, C. R. ROBERT,
L. HOLBROOK,
S. B. CHITTENDEN,
C. H. MARSHALL.

(Two of the Committee absent from the city.)

NEW-YORK, 26*th June*, 1858.

NOTE.—Since the above was engrossed, the coupons on $54,500 of Bonds have been surrendered, and we have reason to believe that in a few days from $25,000 to $30,000 more of the Bonds, and about $6,000 of the debt, will be settled.

REPORT OF COMMITTEE ON ACCOUNTS.

[At a meeting of the Stockholders, held on 29th June, 1858, the Committeee on Accounts submitted a Report, made by them, to the Board of Managers, which was ordered to be printed.]

REPORT.

The Committee on Accounts, finding it impossible to give, personally, the necessary time and labor in order to a thorough examination of the Accounts of the Company, which have been unusually complicated by the circumstances through which it has passed in the last nine months of its business, by advice of the Board sought and obtained the services of W. A. Whitehead, Esq.,—a gentleman exceedingly well qualified by a competent knowledge of accounts generally, and more especially so, by his long experience in that department with the New Jersey Transportation and Harlem Rail-Road Companies.

Mr. Whitehead has made the examinations in a manner that meets the approval of the Committee, and they have much pleasure in submitting herewith his several reports, showing the result of his examinations; and as it proves the ability and faithfulness of our late Treasurer, W. E. Warren, Esq., the Committee recommend that the several reports be copied in full on the minutes of the Board, and that the substance thereof, in the form of a certificate, to be signed by Mr. Whitehead, be transmitted to Mr. Warren by the Secretary. And the Committee further recommend, that the bond furnished by Mr. Warren, as Treasurer, in pursuance of the requirements of the By-laws, be canceled and returned to him.

HENRY YOUNG,
RUFUS R. GRAVES, } *Committee on Accounts.*

NEW-YORK, *June* 29, 1858.

(CERTIFICATE REFERRED TO IN THE FOREGOING REPORT.)

NEW-YORK, *June* 23, 1858.

Having, at the request of the Committee on Accounts of the Delaware, Lackawanna and Western Rail-Road Company, and in pursuance of authority by them given, made a thorough examination of the accounts, books, and vouchers in charge of Mr. W. E. Warren, late Treasurer of said Company, and also the accounts of receipts and expenditures kept by him as Agent for the Assignees, under an assignment executed by said Company on 21st September last, I do hereby certify as follows:—

FIRST.—That such examination comprised an investigation of all the books and papers in the Treasurer's office, relating to the business, from the 1st June, 1857, (the accounts prior thereto having been heretofore examined,) to 30th April, 1858.

SECOND.—That I have traced the proceeds of all acceptances and notes issued, bills receivable discounted, and loans effected, to the proper accounts.

THIRD.—That I have examined and compared in detail with the accounts rendered by the officers and agents on the line of the Road, the several accounts of the different classes of earnings, constituting the income of the Company, comprising receipts from freight, passengers, coal sales, telegraph, transportation of mails, storage and rent.

FOURTH.—That I have examined the disbursements of all kinds, and compared each separate voucher with the corresponding entry, covering the accounts for construction, coal department expenses, wood, oil, materials purchased, machine shops, vessel property, vessel expenses, general and transportation expenses.

FIFTH.—That I have examined, minutely, the accounts connected with the Warren Rail-Road, and the statements relative to the stock, dividends, &c.

SIXTH.—That I have compared the certificates issued, payable in income convertible bonds of 1862, with the number and amount of coupons received for conversion; and have also examined the certificates issued payable in income convertible bonds of 1867.

SEVENTH.—That such other general examination was made of the accounts on the ledger as seemed necessary to test their correctness, and the accuracy of original entries.

And as the result of my labor, I do now further certify, that all of the books, accounts, and vouchers, which have passed under my supervision, have been kept with a due regard to clearness and precision; and that they are in every respect correct, so far as said examination enabled me to decide.

The annexed Balance-Sheet shows the condition of the Company on 30th April.

(Signed,) W. A. WHITEHEAD.

DELAWARE, LACKAWANNA AND WESTERN RAIL ROAD COMPANY.—BALANCE-SHEET APRIL 30TH, 1858.

Dr.			*Cr.*		
Construction,		$8,797,719 79	Capital Stock,		$3,860,250 00
Coal Department Construction,		450,940 27	Mortgage Bonds,	$4,968,500 00	
Vessel Property,		45,179 68	Certificates for Income Bonds of 1862,	436,549 80	
Coal Yards,		2,784 20	" " " 1865,	19,000 00	
Warren Rail Road Stock,	$277,008 00		" " " 1867,	760,553 86	
Lackawanna & Bloomsburg Rail Road Stock,	142,450 00				
		419,458 00	Total Funded Debt,		6,184,603 16
Warren Rail Road Bonds,	$20,000 00		Coal Department Fund,	$88,288 45	
Lackawanna & Bloomsburg Rail Road Bonds,	40,000 00		Renewal Fund,	133,526 60	
		60,000 00	Personal property received from Cayuga & Susquehanna Rail Road Company,	43,334 24	
Coupons anticipated in Settlements,		252,214 48			210,144 29
		$10,028,296 42			$9,754,997 45
Cash in hands of Committee on Settlements,	$104,230 65		Bills Payable,	$645,789 01	
Bills Receivable,	305,618 16		Accounts Payable,	261,232 88	
Accounts Receivable,	92,355 54		Store and Lot, Beaver-street,	3 102 67	
Loan Account,	9,260 21		Unpaid Coupons and Interest,	43,309 00	
Coal Ledger Balances,	103,380 18		Unpaid Dividends,	18,768 47	
Coal on hand (Dec. 31st, '57),	139,720 77		Unpaid Fractional Certificates Warren R. R. Stock,	4,189 25	
Materials on hand (Dec. 31st, '57),	188,731 64				
Cash,	87,154 94		Total Floating Debt,		976,291 28
		925,482 09	Earnings since January 1st,	$383,448 71	
Materials purchased,	$29,483 74		Coal Sales,	382,495 45	
Coal Department Expenses,	500,951 41				765,944 16
Transportation Expenses,	149,500 37		Income Account,—Balance,		148,468 50
Expenses of General Office,	6,295 84				
Vessel Expenses,	5,321 92				
Interest—General Account,	469 60				
		691,922 88			
		$11,645,701 89			$11,645,701 89

28
86

SIXTH

ANNUAL REPORT

OF THE

PRESIDENT AND MANAGERS

OF THE

Delaware, Lackawanna and Western Rail-Road Co

TO THE STOCKHOLDERS.

NEW-YORK:
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1859.

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1859.

OFFICERS

OF THE

Delaware, Lackawanna and Western Rail-Road Co.

FOR 1859.

CHRISTOPHER R. ROBERT,.....PRESIDENT.
RUFUS R. GRAVES,.....*Vice-President.*
ANDREW J. ODELL,.....*Treasurer and Secretary.*

MANAGERS.

DRAKE MILLS,
JOHN J. PHELPS,
DAVID S. DODGE,
MOSES TAYLOR,
GEORGE BULKLEY,
GEORGE W. SCRANTON,
JOHN I. BLAIR,
HENRY YOUNG,
CHARLES H. MARSHALL,
SAMUEL L. MITCHILL,
RUFUS R. GRAVES,
LOWELL HOLBROOK,
SIMEON B. CHITTENDEN,
SAMUEL WETMORE.

STANDING COMMITTEES.

Executive Committee.

JOHN J. PHELPS,
MOSES TAYLOR,
DRAKE MILLS,
GEORGE BULKLEY,
RUFUS R. GRAVES,
JOHN I. BLAIR.

Coal Committee.

DRAKE MILLS,
GEORGE BULKLEY,
JOHN I. BLAIR,
DAVID S. DODGE,
CHARLES H. MARSHALL,
LOWELL HOLBROOK.

Finance Committee.

MOSES TAYLOR,
JOHN J. PHELPS,
JOHN I. BLAIR,
SIMEON B. CHITTENDEN,
SAMUEL WETMORE.

Barge Committee.

GEORGE BULKLEY,
SAMUEL L. MITCHILL,
CHARLES H. MARSHALL,
DRAKE MILLS.

Committee on Accounts.

HENRY YOUNG,
RUFUS R. GRAVES,
LOWELL HOLBROOK,
SAMUEL WETMORE.

ANNUAL REPORT

FOR

1858.

[At a meeting of the Stockholders, held on 25th January, 1859, the following Report was submitted, and ordered to be published:—]

The Board of Managers respectfully submit the following statement, showing the operations of the Company, for the year ending 31st December, 1858:—

1st.—TRANSPORTATION DEPARTMENT.

The gross income from this department was as follows:—

From Transportation of Coal,	$1,032,999 39
" " " Merchandise,	249,416 16
" " " Express Freight,	4,417 48
" " " Mails,	9,805 00
" " " Passengers,	115,116 46
" " " Extra Baggage,	231 22
" Storage,	80 39
" Telegraph,	589 73
" Rents,	1,665 30
" Use of Locomotives,	8,115 01
" " Cars,	8,075 82
	$1,430,511 96
The aggregate expenses were,	548,902 29
Net earnings from Transportation Department,	$881,609 67

The net earnings for 1857 were $674,498 78; from which, however, for the purpose of a just comparison, the sum of $75,000 should be deducted, being the apparent profit accrued from charging to Coal Department a higher rate over connecting roads than was actually paid. Such excessive rate has not been charged during the year 1858. Reference was made to the subject in the last Annual Report.

It is proper to add here that the aggregate expenses for the past year include not less than $50,000 of expenditure, which has heretofore been considered as legitimately chargeable to Construc-

tion Account. A sum of $16,000 is also included, which was paid for the alteration of eight locomotive engines. This was indispensable to the economical operation of the Road; for the engines, as originally constructed, were practically almost useless. They were built in 1855 and 1856.

The Superintendent states in his report to the Board, that while he has endeavored to exercise a judicious economy in every branch of this department, it has in no instance been carried to the extent of permitting the Rolling Stock, Roadway, or Buildings to deteriorate; and in making repairs, he has adopted the policy of having them *well done.* As a result of this policy, the track and bridges for the whole distance from Great Bend to the Junction, as well as the equipment, are now in a better condition than at the close of any preceding year; and from present indications, no extraordinary expenditures will be required during the present year, except for filling the Tobyhanna Trestle, which ought to be completed without unnecessary delay.

In reference to the business of the Transportation Department, it is not improper to state that 100,000 to 120,000 tons more of coal could have been easily moved without any increase of equipment, if sale had been made of it. This would have increased the net revenue from transportation to $950,000 or $1,000,000.

The Superintendent reports that not a person has been injured on our passenger trains; nor have they lost a single connection during the year. He also remarks that men more devoted to the interests of their employers can nowhere be found, than those in the service of the Company; and he attributes a great share of his success in managing the operations of the Road to their uniform faithfulness and good conduct.

2D.—COAL DEPARTMENT.

The amount received for Coal in 1858, was	$1,944,121 60	
" " Rents "	3,152 76	
The value of Coal on hand 31st Dec., 1858, was	214,686 43	
		$2,161,960 79
The aggregate expenses were	$2,071,792 11	
The value of Coal on hand 31st Dec., 1857, was	139,720 77	
		$2,211,512 88
Loss on Coal Department		$49,552 09

It will be noticed that the Coal Department shows a loss of $49,552 09. A strong competition has existed during the past season, particularly in the Northern and Western markets, which, together with the limited demand, has rendered it necessary to sell at low figures. This competition will undoubtedly continue, and perhaps increase, the present year; but there is no intention of relinquishing any market heretofore supplied by us.

The rate charged to the Coal Department for the transportation of coal over our own Road, has been two cents per ton per mile; and over other roads such rates as we have actually paid, with an additional one-quarter cent per ton per mile, for use of cars and other expenses.

The General Coal Agent remarks in his report to the Board, that no accidents or delays of any importance have occurred in the mining department during the past year; and all of the mines are now in good working condition, and capable of yielding an increased quantity of coal if required. Scarcely any of them have been worked to their full capacity. The No. 2 Shaft at Diamond Mines will be so far completed by early Spring as to enable us to mine from the 13 feet vein, the quality of which, at this point, from present appearances, is equal, if not superior, to any coal this Company has ever sent to market.

The expenditure on this shaft during the year 1858, was $6,743 32, which, though it might have been with propriety charged to construction, has been debited to the expenses of the Coal Department. The expenses also include an amount of over $8,000 for new mine cars, strap rail for mine tracks, and other items which are usually charged to Construction Account.

The amount of coal on hand, 1st December, 1857, was.....tons,		43,290 10
The amount forwarded to market in 1858, was as follows:—		
Mined by the Company,.....tons,	331,394 01	
Purchased from other parties,.....	350,270 06	
		681,664 07
	Tons,	724,954 17
The aggregate sales in 1858, amounted to	"	651,437 06
Quantity on hand 31st December, 1858,.....tons,		73,517 11

The foregoing statement, and following tables, are all calculated in NET TONS.

Coal mined and purchased by the Company during 1858.

NAMES OF MINES.	BY WHOM WORKED.	TONS.	CWT.
Diamond,	D. L. & W. R. R. Co.	184,108	17
Bellevue,	Do. do.	24,104	19
Hampton, G. H. Coursen's,	Do. do.	96,153	16
Scranton Coal Co.,	Do. do.	27,026	9
Clark's,	Judson Clark,	81,276	4
Swetland's,	Howells & Co.,	43,772	11
N. Y. and Pennsylvania Co.,	C. D. Reckwell	48,485	5
National Anthracite Coal Co.,	Oram, Harris & Co.,	90,133	10
Pennsylvania Anthracite Coal Co.,	Penn. Anthracite Coal Co.,	56,550	8
Pine Brook	Lackawanna Iron and Coal Co.	1,349	17
Stevenson's,	Samuel Stevenson,	4,276	2
Hyde Park Coal Co.,	Price & Buxton,	14,078	12
Van Storck Coal Co.,	Van Storck Coal Co.,	10,098	
Sundry Mines,		249	17
	Total in 1858,	681,664	7
	Do. 1857,	419,127	13
	An increase of 62 per cent.,	262,536	14

The Coal mined and purchased was composed of the various sizes, in quantities as follows:—

	TONS.	CWT.
Lump,	199,513	17
St. Boat	88,009	11
Large Egg,	90,221	2
Small Egg,	89,981	7
Stove,	128,707	13
Chestnut,	83,413	4
Pea,	1,817	13
Total,	681,664	7

Monthly Shipments during the year 1858.

MONTHS.	On account of Co		On private acc't		TOTAL.	
	TONS.	CWT.	TONS.	CWT.	TONS.	CWT.
January,	35 967	11	1,609	11	37,577	2
February,	25,293	17			25,293	17
March,	36,309	12			36,309	12
April,	51,641	1			51,641	1
May,	65,489	5			65,489	5
June,	73,779	12			73,779	12
July,	75,029	14			75,029	14
August,	68,888	17			68,888	17
September,	65,535	16			65,535	16
October,	63,534	8			63,534	8
November,	62,327	2	136	14	62,463	16
December,	57,867	12			57,867	12
	681,664	7	1,746	5	683,410	12

Yearly Shipments from time of opening Rail-Road.

YEAR.	On acc't of Co	On private ac.	TOTAL.
	Tons.	Tons.	Tons.
1851,	6,000		6,000
1852,	67,487		67.487
1853,	97,358		97,358
1854,	133,964		133,964
1855,	188,865		188,865
1856,	267,893	28,339	296,232
1857,	419,128	70,895	490,023
1858.	681,665	1,746	683,411
Total.	1,862,360	100,980	1,963,340

3D.—INCOME ACCOUNT.

CR.			
The balance to credit of this account, 31st Dec'r, 1857, ... was			$218,881 87
The net revenue from Trans. Dep., in 1858, was		$881,609 67	
The amount received for interest on Stock and Bonds of Warren and Lack. and Bloomsburg R. R. Co.'s		18,720 12	
Amount received from other sources, ...		4,990 57	
		$905,320 36	
DR.			
To one year's interest on $900,000 Bonds of 1871, ...	$63,000 00		
To one year's interest on $1,500,000 Bonds of 1875, ...	105,000 00		
To one year's interest on $2,583,500 Bonds of 1881, ...	180,845 00		
To interest on Income Bonds:—			
$714,500 of 1867, ... $56,688 16			
29,000 of 1865, ... 1,610 00			
460,810 of 1862, ... 12,633 85			
	70,932 01		
To rent of Warren Rail-Road:—			
Interest on Bonds, ... $40,467 57			
" Stock, ... 49,116 37			
	89,583 94		
To rent of Cay. & Sus. R. R., ...	54,600 00		
To balance of General Interest Account, ...	26,187 10		
To Insurance and Losses, ...	13,138 38		
To balance against Coal Dep., ...	49,552 09	652,838 52	
Net revenue for 1858		$252,481 84	
To appropriation to Renewal Fund		100,000 00	152,481 84
Balance to credit of Income Account			$371,363 71

It will be observed that $100,000 has been appropriated to the Renewal Fund, for depreciation of the Road and equipment. Owing to the comparatively short time the Southern Division has been in operation, and the difficulty of ascertaining the extent of

natural wear and tear, the Board have been unable to determine an amount approximating to the actual depreciation. They, however, believe the sum here set apart sufficient to cover it at the present time.

4TH.—CONSTRUCTION EXPENDITURES.

The cost of the R. R., and Equipment to 31st Dec., 1857,		$8,762,438 41
Amount expended in 1858, was as follows :—		
On Cayuga Division,	$	
On Northern Division,	2,164 62	
On Southern Division,	13,142 11	
On Keyser Valley Branch,	110 00	
On Eastern Division,	2,138 61	
For additional Equipment,	54,356 13	
Total Expenditure in 1858,		71,901 47
Total cost of road and equipment		$8,834,399 88
Less amount received for Iron, Land, &c., sold, heretofore charged to Northern Division,		2,692 54
Balance of Construction account,		$8,831,707 34

The Construction expenditures for the past year have been only such as were imperatively demanded by the requirements of the business, and a few incurred in settlement of previously existing contracts.

All expenditures on the Cayuga Division have been charged to Transportation expenses. The amount charged to the Northern Division is chiefly for right of way. The Superintendent reports that all the cases on this Division are now settled. A few remain unadjusted on the Southern Division, which will not exceed in the aggregate $7,000. The principal expenditure on the Southern Division has been for new switches and the extension of old ones, together with necessary conveniences for a supply of water at several points. The amount charged to the Eastern Division is for new work on the piers at Elizabeth Port. Some expenditures will be required at this point the present year to provide increased facilities for the shipment of coal. The additional equipment purchased during the past year consists of two first class freight locomotives, costing $24,500, unavoidably taken on contract; and 213 coal cars, costing $27,400,—part of which were taken in settlement of a debt, and the remainder purchased at a low price to enable us to move coal with economy and dispatch.

The following statement shows the equipment on hand at the close of the year 1858, as compared with the year previous:—

	1858.	1857.
Locomotives,	71	69
Passenger Cars,	17	18
Baggage and Express Cars,	5	5
Horse Freight Cars,	136	136
Platform Cars,	196	196
Eight-Wheel Coal Cars,	291	291
Four-Wheel Cars,	2,715	2,475
Wreck Car,	1	1
Caboose Cars,	20	20
Derrick Cars,	2	1

6TH.—WARREN RAIL-ROAD.—CONSTRUCTION.

The cost of this Road to 31st December, 1857, was,	$1,501,503 86
The Expenditures in 1858 amounted to	40,259 79
Total cost to 31st December, 1858,	$151,763 65

The chief expenditure on the Warren Rail-Road has been $23,000 on the Van Ness Gap Tunnel. The remainder is principally for the completion of the coal schutes at Washington, on the Morris Canal, and the depot at the Junction. It is deemed advisable to urge forward the work on the tunnel as speedily as a wise use of the Company's means will permit. It will be remembered, that for the payments made on this account, this Company receives an equal amount of Warren Rail-Road Stock.

7TH.—VESSEL PROPERTY IN NEW-YORK.

The amount expended on this account to 31st December, 1857, was..	$43,277 69
The amount expended in 1858, for new barges, was	5,501 81
Total cost of barges,	$48,779 50
Deduct amount charged to Income Account, for barges sunk and lost,	6,125 84
	$42,653 66

The greater portion of the amount expended last year for barges was paid in coal. The principal item of deduction is for the steam-tug John Taylor, destroyed by fire; and for one barge sunk with cargo.

8TH.—COAL DEPARTMENT.—CONSTRUCTION.

The Amount charged to this account, to 31st December, 1857, was....	$450,393 01
" " " in 1858, was	3,615 18
Total cost of coal lands, &c., to 31st December, 1858,	$454,008 19

The main item in the above charge is a mere transfer of account, being the cost of some coal lands, heretofore standing in the name of G. W. Scranton, Trustee, and now conveyed to the Company.

9TH.—RENEWAL FUND.

The amount to the credit of this fund, on 31st December, 1857, was..	$133,526 60
This has been increased by an appropriation from the earnings for the past year, (mentioned above,) amounting to.....	100,000 00
Total amount of fund.....	$233,526 60

10TH.—COAL DEPARTMENT FUND.

The amount of this fund remains unchanged since 31st Dec., 1857,.....$33,283 45

11TH.—CAYUGA DIVISION FUND.

The Fund for Renewals on the Cayuga Division amounts to.....$43,334 24

12TH.—SINKING FUND.

The amount invested on account of this fund is.....$49,372 48

With which $69,930 of the Company's Bonds have been purchased. This investment exceeds the amount set apart for the purpose, ($30,000,) but it has been increased on account of the low rate at which the Bonds could be obtained.

GENERAL ACCOUNT.

DR.			
To Construction and Equipment Accounts,.....	$8,831,707 34		
" Cost of Coal Lands and Mining Improvements,	454,008 19		
" Cost of materials on hand,.....	142,236 57		
" Value of Coal on hand,.....	214,686 43		
" Stock of Warren Rail-Road Co.,.....	310,450 00		
" " Lackawanna and Bloomsburg R. R. Co.	132,450 00		
" Bonds of ditto ditto, ($50,000,) cost	40,000 00		
" Bonds of Warren Rail-Road Co.,.....	22,100 00		
" Bills and Accounts Receivable,.....	482,485 43		
" Cash on hand,.....	83,027 15		
" Coupons funded, maturing in 1859,.....	167,195 00		
" Cost of Coal-Yards,.....	2,784 20		
" Cost of vessel property in New-York,.....	42,653 66		
" Advanced on account Coal Dep'ment for 1858,	23,707 64		
" Suspense Account,.....	65,549 40*		
" Sinking Fund,.....	49,372 48	-$11,064,413 49	
CR.			
By Capital Stock paid in full,.....	$3,360,250 00†		
" Scrip Stock,.....	622 50		
" Mortgage Bonds of 1871,.....	900,000 00		
" Eastern Extension Bonds of 1875,.....	1,500,000 00		
" Con. Mortgage Bonds of 1881, $2,600,000 00			
" Less amount not issued,..... 16,500 00			
	2,583,500 00‡		

* Includes all bad and doubtful debts, from which a portion of each may be realized, and which have accrued since the Company began business.

† Including $41,950 surrendered, per Article I, of the plan of resuscitation, and now standing in the name of Trustees.

‡ *Including $42,000* in the Sinking Fund.

By Income convertible Bonds of 1867, ...	714,500 00*		
" Income convertible Bonds of 1865,.....	29,000 00†		
" Income convertible Bonds of 1862,.....	460,810 00		
" Interest accrued on Bonds to 31st Dec., 1858,	167,228 06		
" " " Stock to ditto,	4,377 64		
" Interest accrued on Stock and Bonds of the Warren Rail-Road to 31st Dec., 1858,...	31,317 20		
" Bills and Accounts payable,.....	583,796 16		
" Renewal Fund,.....	233,526 60		
" Coal Department Fund,.....	33,283 45		
" Cayuga Division Fund,.....	43,334 24		
" Income Account,.....	371,363 71		
" Certificates for Income Con. Bonds of 1867,...	25,116 18		
" " " " 1862,...	18,905 00		
" Fractional Certificates of Warren R. R. Stock,	3,482 75		$11,064,413 49

Respectfully submitted,

C. R. ROBERT, *President.*

NEW-YORK, *January 25th*, 1859.

MANAGERS.

DRAKE MILLS,	JOHN I. BLAIR,
JOHN J. PHELPS,	CHRISTOPHER R. ROBERT,
DAVID S. DODGE,	HENRY YOUNG,
MOSES TAYLOR,	CHARLES H. MARSHALL,
GEORGE BULKLEY,	SAMUEL L. MITCHILL,
GEORGE W. SCRANTON,	RUFUS R. GRAVES.

* Including $25,900 in the Sinking Fund.

† Including $2,080 in the Sinking Fund.

SEVENTH

ANNUAL REPORT

OF THE

PRESIDENT AND MANAGERS

OF THE

Delaware, Lackawanna and Western Rail-Road Co.

TO THE STOCKHOLDERS.

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OFFICERS

OF THE

Delaware, Lackawanna and Western Rail-Road Co.

FOR 1860.

CHRISTOPHER R. ROBERT.....PRESIDENT.
RUFUS R. GRAVES.....*Vice-President.*
ANDREW J. ODELL.....*Treasurer and Secretary.*

MANAGERS.

DRAKE MILLS,
JOHN J. PHELPS,
WILLIAM E. DODGE,
MOSES TAYLOR,
GEORGE BULKLEY,
GEORGE W. SCRANTON,
JOHN I. BLAIR,
HENRY YOUNG,
CHARLES H. MARSHALL,
SAMUEL L. MITCHILL,
RUFUS R. GRAVES,
LOWELL HOLBROOK,
SIMEON B. CHITTENDEN,
SAMUEL WETMORE.

STANDING COMMITTEES.

Executive Committee.

JOHN J. PHELPS,
MOSES TAYLOR,
DRAKE MILLS,
GEORGE BULKLEY,
RUFUS R. GRAVES,
JOHN I. BLAIR,
WILLIAM E. DODGE.

Coal Committee.

DRAKE MILLS,
GEORGE BULKLEY,
JOHN I. BLAIR,
WILLIAM E. DODGE,
CHARLES H. MARSHALL,
LOWELL HOLBROOK.

Finance Committee.

MOSES TAYLOR,
JOHN J. PHELPS,
JOHN I. BLAIR,
SIMEON B. CHITTENDEN,
SAMUEL WETMORE.

Barge Committee.

GEORGE BULKLEY,
SAMUEL L. MITCHILL,
CHARLES H. MARSHALL,
DRAKE MILLS.

Committee on Accounts.

HENRY YOUNG,
RUFUS R. GRAVES,
LOWELL HOLBROOK,
SAMUEL WETMORE.

ANNUAL REPORT

FOR

1859.

At the Annual Meeting of the Stockholders of this Company, held on the 24th of January, 1860, a brief statement of the business for the year 1859 was presented, showing the net earnings to be about $900,000, applicable to the payment of interest, and rent of roads operated under lease. The accounts of the Paymaster for the disbursements at Scranton, and on the line of the road, for the month of December, reached the New-York office at a late hour on the evening previous to the meeting. A very short time, consequently, was allowed for its preparation, and the statement was, therefore, necessarily imperfect, several of the items having been estimated. By a resolution then adopted, the Stockholders referred it back to the Board of Managers for completion and publication. In pursuance of this action the following statements have been prepared, showing the operations of the Company for the year 1859, and its condition on 31st December last.

TRANSPORTATION DEPARTMENT.

The revenue from the various branches of income in this department was as follows:—

From Transportation of Coal	$1,280,657	52	
" " Merchandise	305,189	47	
" " Express Freight	5,667	36	
" " Mails	9,805	00	
" " Passengers	123,844	17	
" " " Ex. Bag'e	254	38	
" " Storage	68	70	
" " Telegraph	618	22	
" " Rents	1,831	08	
" " Use of Locomotives	9,011	35	
" " Use of Cars	12,600	71	$1,749,547 96
The expenses during the year were a little less than forty per cent. of the gross earnings, and amounted to			687,111 66
Net revenue from Transportation Department			$1,062,436 30

The amount arising from transportation of coal is chiefly for freight charged on that sent to market by the Company. The rate thus charged on their own road is, from Scranton south, 2 cents per gross ton per mile, and from Scranton north 2 cents per net ton per mile, and on connecting roads, what is actually paid, adding ¼ cent per ton per mile for the use of cars—this being exclusive of the charge for hauling, when such service is performed on other roads by this Company.

The expenses include all repairs and other expenditures of every kind, not properly chargeable to the construction of the road—*nothing having been charged to the latter account except entirely new work.* Neither has there been any charge made against the "Renewal Funds."

The ratio of increase in Passengers and General Freight for 1859, over 1858, may be shown as follows:

	1859.	1858.	Increase.	Per cent.
Passengers.....	123,844 17	115,116 46	8,727 71	7½
General Freight.....	305,189 47	249,416 16	55,773 31	22½
	429,033 64	364,532 62	64,501 02	18

COAL DEPARTMENT.

The business of this department has resulted in a loss of $161,-130 56. Although coal ruled extremely low in 1858, and it was then hoped that prices would improve the past year, that expectation has not been realized; but, on the contrary, the competition has been such as to force prices down to a still lower level, especially at the North and West, and the consequence has been the result above stated. The Board, however, have not for a moment doubted the expediency of continuing to supply the Northern and Western markets as heretofore.

The value of Coal on hand 31st December, 1858, was....		$214,686 43
The amount paid for Coal mined and purchased, and for other expenses, during the year 1859, was.....		2,526,451 46
		$2,741,137 89
The amount received for Coal sold in 1859, was.....	$2,422,066 11	
The amount received for Rents.....	3,530 32	
The value of Coal on hand 31st December, 1859, was.....	154,410 90	2,580,007 33
Loss in Coal Department.....		$161,130 56

This loss includes no charge for the coal taken from the lands of the Company beyond the actual expense of mining.

The quantity sent to market in 1859, was 829,434$\frac{14}{20}$ net tons, of which 376,412$\frac{10}{20}$ tons were mined by the Company, and 453,022$\frac{4}{20}$ tons were purchased from other producers. The quantity sold and delivered was 854,655$\frac{19}{20}$ tons. The movement of coal in 1859 was 147,770$\frac{07}{20}$ tons greater than in 1858.

INCOME ACCOUNT.

The balance to the credit of this account, on 31st December, 1858, was			$371,363 71
Add Net Revenue from Transportation Department, in 1859		$1,062,436 30	
" Interest on Warren R. R. Stock, held by the Company		17,703 94	
" Interest on L. & Blooms. R. R. Bonds held by the Company		3,500 00	
" Income from other sources		3,565 00	
		$1,087,205 24	
Deduct—			
Loss on Coal	$161,130 56		
Insurance and Bad Debts	3,522 43		
Bal. of Gen'l Int. Acct.	9,257 94		
		173,910 93	
Net Earnings for 1859		$913,294 31	
Dr.			
Interest on $900,000 L. & W. 1st M'tg Bonds of 1871	$63,000 00		
Int. on $1,499,000 E. Ex. 1st M'tg Bonds of 1875	104,947 50		
Int. on $2,583,500 2d M'tg Bonds of 1881	180,845 00		
Int. on Income B'ds—of 1862, ($525,687 50,)	35,389 35		
Int. on Income Bd's—of 1865, ($29,000)	2,030 00		
Int. on Income Bd's—of 1867, ($764,841 02,)	52,526 67		
Rent of Warren R. R.—Int. on Stock, $52,337 25; on B'ds, $40,453 00	92,790 25		
Rent of Cay. & Sus. R. R.	54,600 00		
		586,128 77	
Earnings over and above all Expenses and Interest on Debt		$327,165 54	
Less amount credited to Renewal Fund		100,000 00	$227,165 54
Balance to the Cr. of Income account, Dec. 31, 1859.			$598,529 25

CONSTRUCTION.

The amount expended, during the year ending 31st December, 1859, for unsettled right of way, and new work absolutely necessary to prosecute the increased business of the Company, was as follows:

NORTHERN DIVISION—			
For old Right of Way Claims			$1,358 63
SOUTHERN DIVISION—			
For new Switches, turn-outs and double Track	$30,969 67		
" Right of Way, (old claims)	1,852 39		
" New Water Stations, and other buildings	6,961 58		
			39,783 64
EASTERN DIVISION—			
For Piling grounds and fixtures	$14,948 39		
" new Tracks, &c	2,135 04		
			17,083 43
EQUIPMENT—			
For one new Locomotive	$7,000 00		
" New Cars	56,928 87		
" new Machinery and Tools	431 44		64,360 31
			$122,586 01
The amount previously expended was			8,831,707 34
			$8,954,293 35

The equipment on 31st December, 1859, consisted of the following engines and cars:—

Locomotives	71*
Passenger Cars	17
Baggage and Express Cars	5
House Freight Cars	138
Platform Cars	231
Eight-wheel Coal Cars	260
Four-wheel Coal Cars	3,050
Wreck Car	1
Caboose Cars	21
Derrick Cars	2

An increase over the number on hand, 31st December, 1857, of 2 Locomotive Engines and 544 Coal Cars. There has also been completed 5 miles of double track, and several miles of switches and turn-outs.

WARREN RAILROAD.

The cost of this Road to 31st December, 1858, was	$1,541,763 65
The amount expended in 1859, (chiefly in prosecuting work on the Van Ness Gap Tunnel,) was	54,821 84
	$1,596,585 49

* This does not include one Engine rendered unservicable by explosion, which it is in contemplation to replace.

For the payments thus made, this Company receives an equal amount of the Capital Stock of the Warren Railroad Company.

VESSEL PROPERTY.

The cost of Barges and Vessels owned by the Company, on 31st December, 1858, was	$42,653 66
The amount expended on this account, in 1859	4,641 79
	$47,295 45

The property in this department consists of 15 Coal Barges, used in the transportation of coal from Elizabethport to New-York and vicinity, and a schooner used for mooring at Jersey City —an increase of one barge and a schooner during the year 1859.

COAL DEPARTMENT CONSTRUCTION.

This account is closed so as to permit no further charges for the present. The amount on 31st December, 1858, was $454,008 19, which has been decreased, during the year, by $50 received on account of the sale of a canal-boat, on Cayuga Lake. The amount of this account, on 31st December, 1859, was $453,958 19.

RENEWAL FUNDS.

These funds, heretofore set apart for the purpose of providing for depreciation and extraordinary repairs and losses, have remained undisturbed during the year just closed. They consist of the following accounts:—

Renewal Fund, Transportation Department, (Main Line)	$333,526 60
" " " " (Cay. Div.)	43,334 24
" " Coal Department	33,283 45
	$410,144 29

These funds are represented by the following assets, set apart for that purpose, by Resolution of the Board of Managers, November 25, 1859:

Stock of the Warren R. R, Co	$364,350
Bonds of the "	22,100
Bonds of the Lack. & B. R. R. Co	50,000
	$436,450

This is the par value of the several securities named, which it is hoped they will nearly or quite attain in a reasonable time, and

thus prove available assets to meet any extraordinary expenditure that may be required.

SINKING FUND OF 1857.

This fund is established in pursuance of the plan of resuscitation, devised and carried into effect two years since, under which were issued the Income Bonds, whose payment is thus partially provided for. There had been retired on the 31st December, 1859, the following securities:

Bonds of 1862	$49,937	50
" 1867	74,191	02
" 1881	42,000	00
	$166,128	52

which were purchased at an expenditure of $127,583 89. The Bonds have all been canceled, and the Interest on the amount retired accrues regularly to the fund.

It will be remembered that on the 1st April, 1860, a similar fund is to be commenced, to provide for the payment of the Eastern Extension 1st Mortgage Bonds of 1875; and it is proper to observe that nearly the whole sum required for the present year has been secured on favorable terms.

CAPITAL STOCK.

The whole amount of the capital stock paid in to 31st December, 1859, was $3,360,250.

CONDITION OF THE ROAD AND OTHER PROPERTY.

The Superintendent reports that the road-bed and superstructure are in very good condition,—better than they were a year ago. The Rolling Stock, notwithstanding the incessant service it performed the past year, requires the expenditure of only a few thousand dollars to put it in as good order as it was at the commencement of 1859.

The General Coal Agent reports that the mines owned and leased by the Company are all in excellent order, and capable of yielding a much larger quantity of coal than was produced last year, if *required.* The supply from this source, with that furnished by the

several colliers, under contracts having some years to run, will be ample for the increased quantity which the Company propose to move the present year.

FINANCIAL STATEMENT, DEC. 31, 1859.

DEBT.

Mortgage bonds issued as follows:			
Of 1871	$900,000 00		
" 1875	1,500,000 00		
" 1881	2,600,000 00		
		$5,000,000 00	
Less amount in Sinking Fund (face of Bonds canceled, Coupons collectible on account of Fund)	$42,000 00		
" amount retired (Bonds and Coupons entirely canceled)	1,000 00		
		43,000 00	
			$4,957,000 00
Income Bonds, issued as follows, (including Certificates and stamped Coupons)—			
Of 1862	$525,687 50		
" 1865	29,000 00		
" 1867	764,841 02		
		$1,319,528 52	
Less amount in Sinking Fund (face of Bonds canceled)		124,128 52	
			$1,195,400 00
Total amount of Funded Debt			$6,152,400 00
Bills Payable, outstanding			175,882 89
Accounts Payable			340,269 15
Total Indebtedness			$6,668,552 04

AVAILABLE ASSETS.

Cash on hand, 31st December, 1859	$41,225 91	
Bills receivable	283,584 94	
Accounts receivable	205,501 08	
Mortgage and Income Bonds on hand	130,930 00	
Coal on hand	154,410 90	$815,652 84
Total indebtedness, less available Assets		$5,852,899 21

There was also on hand—

Stock of Lackawanna and Bloomsburg R.R. Co.	$132,450 00
" Washington Mills (taken for debt)	9,500 00
Also materials for operating the Road and Mines	200,649 12

The amount of outstanding debt on 1st December, 1857 (the date of the settlement under the plan of resuscitation,) was, after deducting the available assets then on hand..		6,351,911 62
The balance of indebtedness on 31st December, 1859, (as above) was		5,852,899 21
Decrease of Debt,		$499,012 41

There was expended for construction in 1858 and 1859, as follows :—

For 3 Locomotive Engines	$32,898 37	
" New Cars	84,632 58	
" Machinery and Tools	1,249 92	
" Additional Tracks	46,839 90	
" Water Stations and other buildings	18,049 95	
" Right of Way (old claims)	12,970 21	
" Tunnel on Warren R. R.	72,500 00	
" Coal Barges	4,641 79	
" Piling ground and fixtures at E. Port	14,948 39	
" Miscellaneous expenditures	7,709 12	
		296,440 23
Amount expended in 2 years for Reduction of Debt and Construction		$807,526 65

In view of the circumstances under which the income bonds of the Company were issued, (about half a million of which are due in less than three years,) the Board did not deem it just to the holders of them to make a division of the profits accrued since the resuscitation of the Company. These profits have chiefly been used in reducing the debt, as above shown ; a portion, also, having been appropriated toward providing such additional facilities as were imperatively required to do the increased business. The experience of the Company for the past two years, when coal has ranged at such low prices, has demonstrated, that the only safe policy is to move large quantities. Therefore, in continuation of this policy, it has been decided to move the present year one million of tons ; to do which, it was necessary to procure six new engines and 600 coal cars, the road and Rolling Stock of the Southern Division having been worked to its utmost during the year just closed. Provision has been made for all of these, and they will be ready for use at an early day. A number of the switches and turn-outs will be further lengthened at the opening of spring. These additional facilities for enlarging the business of the Company, it is estimated, will require an outlay of about

$200,000, which can be met without difficulty from the available assets on hand, which have been allowed to accumulate with this expenditure in view.

Respectfully submitted,

C. R. ROBERT,

NEW-YORK, *Feb.* 18, 1860. PRESIDENT.

OFFICERS

OF THE

Delaware, Lackawanna and Western Rail Road Co.

FOR 1861.

CHRISTOPHER R. ROBERT, ... PRESIDENT.
DRAKE MILLS, ... *Vice President.*
ANDREW J. ODELL, ... *Treasurer and Secretary.*

MANAGERS.

DRAKE MILLS,
JOHN J. PHELPS,
WILLIAM E. DODGE,
MOSES TAYLOR,
GEORGE BULKLEY,
GEORGE W. SCRANTON,
JOHN I. BLAIR,
HENRY YOUNG,
CHARLES H. MARSHALL,
SAMUEL L. MITCHILL,
RUFUS R. GRAVES,
LOWELL HOLBROOK,
SIMEON B: CHITTENDEN,
SAMUEL WETMORE.

STANDING COMMITTEES.

Executive Committee.

JOHN J. PHELPS,
MOSES TAYLOR,
DRAKE MILLS,
GEORGE BULKLEY,
RUFUS R. GRAVES,
JOHN I. BLAIR,
WILLIAM E. DODGE.

Finance Committee.

MOSES TAYLOR,
JOHN J. PHELPS,
JOHN I. BLAIR,
SIMEON B. CHITTENDEN,
SAMUEL WETMORE.

Coal Committee.

DRAKE MILLS,
GEORGE BULKLEY,
JOHN I. BLAIR,
WILLIAM E. DODGE,
CHARLES H. MARSHALL,
LOWELL HOLBROOK.

Barge Committee.

GEORGE BULKLEY,
SAMUEL L. MITCHILL,
CHARLES H. MARSHALL,
DRAKE MILLS.

Committee on Accounts.

HENRY YOUNG,
RUFUS R. GRAVES,
LOWELL HOLBROOK,
SAMUEL WETMORE.

ANNUAL REPORT

FOR

1860.

At the annual meeting of the Stockholders, held on the 22d day of January last, a brief and partially estimated statement of the business for the year ending 31st December, 1860, was presented, which was referred back to the Board of Managers, to be perfected and published. In pursuance of that action, the Board have prepared the following statements, showing the results of last year's business, and the condition of the Company, at its close.

TRANSPORTATION DEPARTMENT.

The revenue derived from the several branches of this department, was as follows:

From Transportation of Coal,	$1,730,186 51	
" " Merchandise,	289,321 12	
" " Express Freight,	8,494 73	
" " Mails,	9,615 89	
" " Passengers,	126,333 68	
" " Extra Baggage,	218 02	
" Storage,	65 70	
" Telegraph,	796 65	
" Rents,	400 00	
" Use of Locomotives,	12,044 77	
" " Cars,	13,859 45	
		$2,191,336 52
The Expenses (including all extraordinary repairs and renewals, except the cost of five locomotives, charged to Renewal Fund, to replace five of the Winans Coal Burners,*) were (a fraction less than 40 per cent.)		874,647 92
Profit,		$1,316,688 60
The Earnings of this department, for 1859, were		1,062,436 30
Increase, 24 per cent.		$254,252 30

* These Engines were put on the Road in 1856 and 1857, and although large expenditures have been made on them, the service they have performed has been trifling, owing to their defective construction, and they are now worthless, except for old iron.

COAL DEPARTMENT.

TONNAGE.

The quantity of Coal on hand, 31st Dec. 1859, was.....tons,		46,113 02
" " carried to market in 1860, was as follows:		
Mined by the Company from lands owned and leased by them,.....tons,	570,685 06	
Purchased from other parties,.....tons,	509,542 04	
		1,080,227 10
Tons,		1,126,340 12
There was sold and delivered.....		1,058,883 17
Quantity on hand Dec. 31, 1860,.....net tons,		67,456 15

The Coal moved in 1860 was more than 80,000 tons in excess of the estimate contained in the last Annual Report, and was an increase of 250,792 tons over the quantity for 1859.

REVENUE.

Value of Coal on hand 31st December, 1859,.....	$154,410 90	
Amount paid for the mining and purchase of Coal, Transportation to Market, and all other expenses of Coal Department in 1860,.....	3,445,244 80	
		$3,599,655 70
Amount received for Coal sold, and Rents, in 1860,	$3,181,888 91	
Value of Coal on hand 31st December, 1860,.....	211,214 85	
		3,393,103 76
Loss,		$206,551 94

Nothing is here allowed for the Coal mined from the lands owned by the Company; and the freight is calculated at 2c. per ton per mile over the Company's own Road, and what is actually paid on connecting Roads, with a charge on the latter for use of Engines and Cars.

INCOME ACCOUNT.

The balance to the credit of this account, 31st December, 1859, was			$598,629 25
Deduct amount of bad debts accrued since opening of Road, to 31st December, 1859, heretofore standing in suspense account, and now charged off as losses,			40,651 68
			$557,977 57
Add:			
Profit in Transportation Department,	$1,316,688 60		
Profit on Bonds retired in Sinking Fund, (closed,) including interest accrued thereon,	28,823 19		
Interest on Warren R. R. Stock, (other than that in Renewal Fund,)	6,755 91		
		$1,852,267 70	
Less:			
Loss in Coal Department,	206,551 94		
Insurance, Taxes and Bad Debts incurred in 1860,	17,611 40		
Balance of General Interest account,	8,063 81		
		227,227 15	
Net income for 1860,			1,125,040 55
			$1,683,018 12

DEBITS.

Interest on 1st Mortgage Bonds, of 1871,	$63,000 00	
" 1st " " 1875,	104,930 00	
" 2d " " 1881,	179,386 67	
" Income Bonds of 1862,	17,455 58	
" " " 1865,	1,510 83	
" " " 1867,	24,366 40	
" Warren R. R. Bonds,	42,000 00	
" " " Stock,	76,321 50	
" Rent of Cayuga and Susquehanna R. R.	54,600 00	
Total Interest on Debt, and Rent of Connecting Roads, for 1860,	$563,570 98	
Three years' Interest on Capital Stock, (say 18 per cent. on $3,360,250) to December 31, 1859, paid in April, 1860, in Stock,	603,458 75	
Dividend out of Earnings for six months, ending 30th June, 1860, endorsed on new scrip, (say 6 per cent. on $4,011,050,)	240,663 00	
		1,407,692 73
Balance of Income account,		$275,325 39

CAPITAL STOCK.

Amount outstanding on 31st December, 1859, was	67,205	Shares,	$3,360,250 00
Issued for 3 years' Interest,(18 ⅌ ct.) on the above Stock, to December 31st, 1859,	11,986	"	599,300 00
Issued to Moses L. Noyes, per agreement, in settlement of old claim,	80	"	4,000 00
Issued for Old Subscriptions, settled,	15	"	750 00
Issued for Bonds converted,	950	"	47,500 00
The amount of Scrip Stock issued to retire the Income Bonds of the Company, was 26,600 Shares, $1,330,000; of which there has been settled in full	21,413	"	1,070,650 00
Total Stock paid in full,	101,649	Shares,	$5,082,450 00
Amount paid on account Subscriptions made in 1853, say on acct. of	31	"	352 50
Amount paid on acct. Scrip Stock accepted by parties to whom it was allotted, say on acct. of	3,305	"	106,344 83
The number of Shares of the Scrip Stock upon which no payments have yet been made, beyond the dividends endorsed thereon, is	1,882	"	
Total Capital Stock, Shares,	106,867		
equal to $5,343,350, on which has been paid			$5,189,147 33

The expenditures on CONSTRUCTION ACCOUNT, (exclusive of Warren Rail Road,) during the year 1860, amounted to $234,-258 06; of which amount $42,600 has been transferred to the debit of Renewal Fund, as heretofore explained. The items of the remaining sum ($191,658 06,) are as follows:

2 Locomotives	$20,223 15	
704 Four-wheel Coal Cars	117,820 60	
10 House Freight Cars	5,964 26	
New Tools and Machinery	5,297 84	
New Tracks and Switches	10,884 26	
Old Right of Way settled	3.394 91	
Trestles and Machinery for piling Coal at Elizabethport	26,345 59	
New Water Stations, &c.	1,727 45	
		$191,658 06

The equipment on 31st December, 1860, consisted of the following engines and cars :—

Locomotives	74
Passenger Cars	17
Baggage and Express Cars	5
House Freight Cars	148
Platform Cars	231
Eight-wheel Coal Cars	260
Four-wheel Coal Cars	3,754
Wreck Car	1
Caboose Cars	21
Derrick Cars	2

The expenditures on the WARREN RAIL ROAD have been as follows :

For excavating and arching Tunnel, including Switches leading to and from it,	$103,703 69	
For old right of way, settled,	1,150 02	
" new dwellings at Junction, &c.,	2,109 40	
		$106,963 11
Amount previously expended,		1,596,585 49
		$1,703,548 60

For the expenditures made on this Road, this Company receive an equal amount of the Capital Stock of the Warren R. R. Co.

The VESSEL PROPERTY has been increased by the purchase of three new Coal Barges, at a cost of $12,660 97. The property in this department now consists of 18 Barges and 1 Schooner.

RECAPITULATION OF CONSTRUCTION EXPENDITURES IN 1860.

For new Track and Equipment,	$191,658 06
For Warren Rail Road,	106,963 11
For new Barges,	12,660 97
Total,	$311,282 14

RENEWAL FUND.

The amount set apart as a Renewal Fund, to provide for depreciation and extraodinary repairs, amounted, on 31st December, 1859, to..		$419,144 29
There has been added to this sum, during the year, the interest accrued on its assets,..		22,311 58
		$432,455 87
There has been charged against this Fund the cost of five Locomotive Engines, (transferred from Construction account,) to replace five of the Winans Coal Burners, condemned. The cost of the five new Engines was..	$48,600 00	
Less the estimated value of the five Winans Engines for old iron,	6,000 00	
		42,600 00
		$389,855 87
Deduct also the Stock of the Lack. and Bloomsburg R. R. Co. unavailable,		132,450 00
Balance of Renewal Fund,		$257,405 87

The assets of the Fund are as follows (at their par value):

Stock of Warren Rail Road Co..	$364,350 00	
Bonds " " "	22,100 00	
Bonds of Lackawanna and Bloomsburg R. R. Co.	32,000 00	
Stock of the Delaware, Lackawanna and Western R. R. Co.	16,500 00	
		434,950 00

Measures having been taken to redeem the Income Bonds of the Company at par, the Sinking Fund heretofore opened to retire them has been closed.

In pursuance of the provisions contained in the First Mortgage Bonds of 1875, (Eastern Extension,) a Sinking Fund for their redemption was commenced in April, 1860, and $57,000 of the said Bonds have been purchased and cancelled for that account. There is nearly enough on hand for the requirements of April, 1861.

The Rail Road and Coal Works were in as good condition on 31st December last as they ever were ; and during the year then closed, no accident occurred requiring any large expenditure for Repairs.

All of which is respectfully submitted.

C. R. ROBERT, *President.*

NEW YORK, *Feb.* 19, 1861.

MANAGERS.

DRAKE MILLS,	HENRY YOUNG,
JOHN J. PHELPS.	CHARLES H. MARSHALL,
WILLIAM E. DODGE,	SAMUEL L. MITCHILL,
MOSES TAYLOR,	RUFUS R. GRAVES,
GEORGE BULKLEY,	LOWELL HOLBROOK,
GEORGE W. SCRANTON,	SIMEON B. CHITTENDEN.
JOHN I. BLAIR,	SAMUEL WETMORE.

The Delaware, Lackawanna and Western Rail Road Company.

BALANCE SHEET, DECEMBER 31st, 1860.

Cost of Rail Road and Equipment,		$9,145,951	41	Capital Stock paid in,	$5,189,147	33
" Coal Lands and Improvements,		462,882	87	Mortgage Bonds, (including $145,000 in Reserved Fund, $56,000 in Sinking Fund of 1875, and $42,000 in Sinking Fund of 1871 and 1881,)	4,957,500	00
" Barges,		59,956	42			
" House and Lot in Oswego, (taken for debt,)		1,400	00			
" Coal Yards,		3,464	41	Income Bonds, (including Certificates unredeemed, and $28,430 in Reserved Fund,)	265,416	57
Cash on hand,		61,288	79	Fractional Certificates of Warren R. R. Stock,	1,939	88
Bills Receivable,		291,832	27	Renewal Funds,	257,405	87
Accounts Receivable,		368,285	74	Bills Payable,	327,339	08
Materials on hand,		309,035	08	Accounts Payable,	406,283	15
Coal on hand,		211,214	85	Income Account,	275,325	39
Stock of Warren R.R.Co.(besides that in Renewal Fund)		106,150	00			
" Washington Mills, (taken for debt,)		9,500	00			
Bond of Lack. Iron and Coal Co., (due July 1st, 1861,)		1,000	00			
Scrip of Atlantic Mutual Insurance Co		1,340	00			
Assets of Renewal Fund, (cost)		428,400	00			
" Reserved Fund, (cost)		126,647	66			
" Sinking Fund of 1875, (cost)		56,000	00			
" " 1871 and 1881, (cost)		25,721	48			
Suspense Account, (Notes and Claims past due,)		10,286	24			
	$11,680,357	22			$11,680,357	22

CONFIDENTIAL.

For the Stockholders of the Delaware, Lackawanna and Western Railroad Company, ONLY.

Esther Tasheny Esq

DEAR SIR: Some circumstances recently occurring have made it my duty to myself and family, (and, perhaps, also to you,) to submit for your perusal the following communication: which, as you will observe, was *designed* as well for the stockholders as the "managers" of the Delaware, Lackawanna and Western Railroad Company—my election, as President of the Company, having been made directly by the former.

I much regret the necessity for this measure, and shall send this communication *only* to such as it may be deemed necessary to disabuse of erroneous impressions.

Though clearly understood by the "managers," some of the allusions will need explanations to render them intelligible to the stockholders. Such explanations will be found in the accompanying foot-notes. Some names and other private matters have been omitted for obvious reasons.

Very respectfully, yours, etc.,

GEO. D. PHILLIPS.

NEW-YORK, Sept. 9th, 1856.

To the Board of Managers of the Delaware, Lackawanna and Western Railroad Company.

GENTLEMEN: Referring to my two communications of July 11th and the 29th ultimo, wherein, in the discharge of my duty, I have with great care recommended to the consideration of the Board, several important measures and changes, deemed by me essential to the best interests of the Company,* I have now very respectfully to beg your patient consideration to a few remarks in review of the report of your committee, and the action of the Board thereon.

And, first: the selection of your committee was singularly unfortunate. Instead of placing upon it those who, from their more frequent visits to Scranton and the line of your works, were most familiar with the facts and wants referred to by me, and who would consequently have been better competent to judge of the importance of my suggestions and recommendations, one, from his long absence from the city, and another, from his comparatively recent entrance into the Board, could not be expected to know much of the matters referred to by me, and the third was well known by you all as systematically opposed to my measures and recommendations; a state of feeling natural enough, when the circumstances which produced it are duly considered.

But, strange as was the selection of your committee, their action was still more unusual and *extraordinary*. Notwithstanding my communication was full of most important suggestions, and was in the hands of your committee full seven weeks, still not a moment's consultation was held with me in reference to it, nor was the slightest opportunity given me to explain my views, or to offer my reasons for the important changes I had so strongly recommended;† and yet, as stated by the chairman of your committee, "other members of your Board *were* consulted;" and, *most strange* of all, the very officer upon

* These communications, and the report of the committee referred to, may be seen by any stockholder feeling an interest in the subject.

† I had early intimated to the chairman of the committee, my expectation and desire to confer with the committee, and understood him to reply that I should be invited to meet with them.

whose conduct, it is thought, I made the most direct reference, and the most severe reflections, and who, it was well known, was the immediate cause of most of the existing difficulties, *was* freely consulted, and invited to a conference with your committee in session. This, to me, is inexplicable upon any known principles of usage or equity.

In again carefully considering my communication and the report of your committee upon it, I am left in wonder and surprise; and, while I would now again, most respectfully, reiterate every one of my suggestions and recommendations, as having been rendered still more important by events and transactions of more recent date, I am still, as then, "prepared to be well satisfied with your decision;" although the implication in the closing of your committee's report should still be retained.

On one point, however, alluded to in the report of your committee, and still more strongly dwelt upon subsequently by several of your number,* I must be permitted to offer my solemn protest. I will never consent to be held responsible for measures which I have always disapproved, nor for the correct administration of departments, for the proper supervision of which the Board have so repeatedly and continually refused to grant me the necessary means.

Without repeating here, the more prominent difficulty in the way of a proper discharge of my duties, well known to you all, and the least remedy for which you decline to grant me, I may safely say, that seldom was one ever called to discharge the duties of a similar office under so many embarrassing circumstances.

One reference more to the report of your committee. The considerations of *economy*, so plausibly suggested, are calculated to divert the attention from the more important matters suggested by me, and have raised a false issue in the argument.

My plans, if duly considered and fairly construed, would

* After the adoption of the report by the Board, I remarked that they would, of course, consider me relieved from all responsibility or supervision of the treasurer's department and accounts of the Company — the customary office of "Auditor" having been denied to me. This, however, was refused me, and it was insisted that I should still be "held responsible for *every* thing." This action of the Board left but one course for me to pursue.

have been found *not* calculated to increase, but rather to diminish the current expenses of the Company. Yet I would respectfully protest against the doubtful policy of dispensing with needed officers and employees, and the payment of small and inadequate salaries. Our Company has hitherto suffered much from these causes, and can not again resort to that practice without a great sacrifice of its best interests.

While speaking thus plainly of your committee's report, I must not be understood as censuring its authors or its advisers, nor those who voted for its adoption; but while I cheerfully accord to them the right to the free exercise of their opinions and acts, I claim for myself the same rights and privileges; and under all such circumstances, and especially in an association like ours, where so radical differences of opinion exist, I hold it to be the wisest and only safe policy, to separate a connection which can not be longer continued harmoniously and profitably to the Company.

The foregoing considerations will have prepared your minds for the discharge of my only remaining duty to the Company; namely, to announce to the Board, and through them to my constituents the stockholders, my resignation as President of the Company—my salary and official connection with which terminates this day.* Should my further occasional services be deemed necessary to complete any unfinished business, they will be cheerfully rendered on such intimation from your Board.

This is an unpleasant duty; and the separation is, in many respects, a painful one.

Though I have long needed, and, as is well known to most of you, have most ardently desired, the rest and relief which

* Among the many remarks upon my resignation, it has been urged that this act was too abrupt and peremptory. When it is stated that this was my *third* formal resignation; that the second was made in March last, and upon either of the two following conditions, namely, "that the Board would select an honest man to take my place," "or unite with me in calling a meeting of the stockholders, from whom I received my office, and to whom I would resign it without any terms;" and when it is further known that this second resignation has never been withdrawn, but that I have often urged its acceptance, "as the greatest favor that could be conferred upon me," surely it could not be expected that I should make another *conditional* resignation. It would not have been deemed either sincere, or respectful to either the Board or myself.

this act will give me; still, in deference to the advice and strongly-expressed desires of some whom I esteem my friends, I had consented and *promised* to remain at my post till the close of the year; at which time I fondly hoped to be able to present the affairs of the Company in a more complete and satisfactory condition. Whether any one of those friends will regret this act or not, I feel well assured that none of them, knowing the circumstances which have led to it, will condemn the deed or hesitate for a moment to relieve me from the promise.

Though some trifling inconvenience may result, I do not fear any serious damage, for it has often been found that a more *general* change in the management of such institutions, produces good rather than evil. But whatever may be the consequences, it should be borne in mind that I am one of the largest in interest, and must therefore share those consequences in my full proportion.

In this connection, it is no small comfort for me to be assured by your committee, that you will have still in your employ a gentleman of great experience, undoubted capacity, and of the most sterling integrity; qualities which I most cordially unite in awarding to him; and as your committee further say, "that if more power were given to him and he was held more directly responsible for results, that a larger business might at once, or within a reasonable time be realized," *I* shall dismiss all apprehensions of evil consequences, and anticipate favorable results.*

* In reference to this insinuation, which has been since repeated in other forms, it is due as well to the gentleman referred to as to myself, to insert the following extracts of a letter quite recently received from him on this subject:

"Now in answer to the above," (an extract from my letter quoted by him,) "I can only say that as one of the Company's officers I have felt more restrained in my action relative to business questions, than when in the service of the Delaware and Hudson and Pennsylvania Coal Cos., but had no good reason to consider you as being the cause of this; nor am I now prepared to say that I consider it an evil. On the contrary, many cases have come up where, if left at full liberty, my decision would not have been as conducive to the Company's interests, as it proved to be when changed or modified by your suggestions, or by those of the Board." * * * * * "When looking, therefore, at the whole question, it would seem to me that the restraints, thus far, have been beneficial, but that, whether this is so or not, they necessarily grew out of the regulations of the Board, and therefore it is not right to blame you on this account."

In thus taking leave of you, I trust I shall be indulged with a few personal reflections, though some of them may appear a little egotistic.

First of all, I desire to express to each member of the Board my most sincere thanks for their kind forbearance towards me and my many faults. I am not insensible of all of them, and very well know, that in the *honest*—perhaps *too scrupulous*—discharge of my many peculiar duties, I have often tried the patience of my associates. While I sincerely beg their forgiveness of all I have done to offend, I also desire them to believe that I have been actuated only by the most disinterested motives, and to promote the best interests of the Company.

Ours has been a peculiar organization. I doubt if there exists another in the United States which is calculated to interpose so many obstacles to the faithful and honest discharge of the duties of its officers. Collateral and conflicting interests are always difficult to adjust and arrange satisfactorily. In our case they have been of a peculiar character and force. Human nature is such, that it is impossible, wholly, to divest one's self of the influence of personal interest.

While I would not, and can not, impute to any one a submission to any such influences, I must be permitted to refer to the existence of such circumstances, as one of the causes producing this unpleasant communication.*

"In conclusion, permit me to recapitulate what I said in a former letter; that in all our business transactions, I have been fully satisfied that your constant aim and effort has been to promote the interests of the Company, and that I know of no one upon whose judgment I would sooner rely, or whose honesty of purpose I would sooner trust."

* To illustrate the point here referred to (but without any reference to the right or wrong of the question, upon which I am aware there is some difference of opinion,) I will simply state that one of our managers is a director and large stockholder in the Lackawanna Iron and Coal Company; one eighth owner in the Lehigh and Tobyhanna Land Company; largely interested in real estate on the line of the road, and President of the Warren Railroad, in the construction of which his son is a principal contractor. Another is director and very large owner in the Lackawanna Iron and Coal Company, one eighth owner in L. and T. Land Co., one third owner of Oxford Furnace, and director and very large stockholder in the Central R. R. of New-Jersey. Another is in the same relation to all except the C. R. R. of N. J., and another is very large stockholder in L. I. & C. Co., one eighth of L. and T. Land Co., very large owner and President of Union Iron & Coal Co., etc., etc. When the relations of these parties to others similarly interested, and the great and constant intercourse between the companies mentioned, and this, are considered,

The office of President of this Company is not, and never can be, a sinecure, in the occupancy of an honest and conscientious man. Whatever may be his salary, if fitted for the office he may earn more, and with far less of labor, trials, and vexations in many other ways. To make his position endurable it must be made as agreeable as possible; and no man of a proper degree of self-respect will long consent to continue in such office, after his views and wishes are generally disregarded.

Though the opportunities have been frequent and almost constant, I have never sought or ever consented to promote my private pecuniary interests or personal popularity at the expense of the Company. *No, not to the extent of one dollar!* Nor have I ever introduced into the service of the Company a relative or personal friend, except in one instance, when —— found his way from the Erie road, to the position of fireman, from which he was promoted to that of engineer; and from which he was soon afterwards dismissed for cause; and, on an appeal to me, I gave orders to enforce the regulations. I mention this only because your Treasurer reported the said employment to the Board, in derision.

I have often, and cheerfully, according to my small means, loaned my funds to the Company—frequently for long periods; but never received more than seven per cent per annum for such use; and more than once the money has been borrowed at bank, on my own paper and private securities especially for this purpose.

My name, as indorser, in common with many of you, has always been freely at the service of the Company—sometimes to an amount exceeding a hundred thousand dollars; and at this moment it is so, in bank, to the extent of forty-five thousand, though everywhere else so denied.

I have in all things served the Company with all my mind and strength, and if the results are not all that could have been wished, there *is much* in the retrospect with which I may well be satisfied.

some slight idea may be formed of the embarrassments referred to. I do not say that this Company has hitherto suffered wrong in consequence of these collateral interests, but simply, that the performance of my duty as its President has thereby been rendered much more delicate and embarrassing.

I found the Company without a *valid* charter,* by-laws, or organization. I leave it in the possession of every needed enactment, (save one from the Legislature of New-Jersey,) condensed into a well-digested code, embracing every known law appertaining to, or affecting our franchises in the three States of Pennsylvania, New-York, and New-Jersey; and with a system of by-laws and an organization which, with the slight changes recently recommended, are all that can be needed for years to come.

I found scarcely a title to right of way on record, and very few of any importance or difficulty to obtain, *secured*. So far as the Board have left this matter in its legitimate hands, nearly every case has been adjusted and recorded; and I do not hesitate to say, that all the cases on the whole line of works would have been disposed of before the close of the year, and a most complete road-book, now being constructed under my directions, would have been laid before you at that time, had I remained in office. Even now, there are left but two cases on the northern division, and *very few* on the southern, over which our most efficient Attorney has had control.

Every rod of the Keyser's Valley route (the only portion which *was* left to my management) has been secured without the payment of one dollar, including some additional lands and other privileges.

The equipment and rolling stock of the Company have been increased about tenfold—nearly all of which has been purchased by me, payable one third to one half in the stock of the Company at par—and that, too, without any increase in the prices paid. But I will go no further with these details. Every member of the Board knows, or *ought* to know, that since I entered into their service the increase in every department of the Company's operations, and especially in construc-

* The charter had long been forfeited by a non-compliance with its requisitions. I immediately procured the passage of the act of April 2d, 1855, restoring all the franchises of the Company and granting other important privileges. Other important acts were subsequently obtained at my suggestion. Among them, that of March 22d, 1855, increasing the number of managers from 10 to 14, the principal motive for which was to bring into the Board more of those who had no conflicting interests to trouble them. No by-laws or organization of any kind had ever been adopted, nor had the minutes and accounts of the Company been legally or intelligibly kept.

Rec'd by my predecessor in Office 6 Sets - Charts
No Salary - it being understood that
Office were Mainly to be performed by

tion, transportation, and the production, purchase, and shipment of coal, has been more than four-fold. All of you do *not* know that up to a few months since, every contract for the purchase (amounting to more than five millions of tons) and sale of coal, was made by me. I may be permitted the indulgence of some satisfaction in this retrospect; for though I have been most nobly and generously seconded and assisted by some of you, still the inception and consummation of the whole, as was proper, devolved on me. In this connection, it is more a privilege than a duty to refer in commendatory terms to my co-laborers in your service.

In perfecting the records, and arranging the various important contracts and documents of the Company for safe keeping and convenient reference, your Secretary has done his duty *faithfully* and satisfactorily; and this department of our enterprise may be proudly referred to as a *model* for neatness, system, and correctness; and for all this, I feel sure that he will not deny me the credit of some important suggestions.

In our attorney and land-agent, the Company has a treasure, not by any means appreciated; and who, if allowed the opportunity and means, will soon prove himself one of your most valuable and trusty officers. He is competent for, and worthy of a much more extensive sphere of operations, and the Board will promote the interests of the Company by affording him greater opportunities for the exercise of his talents.

I have so recently made special reference to the General Coal Agent and other officers of the Company, that further mention of their acceptable service is unnecessary.

To all of them, I desire in this place, to express my thanks for their cheerful and valued coöperation in the service of the Company; and it is with peculiar satisfaction that I am permitted to add, that with a *single exception* no officer or employee of the Company has ever manifested an intentional disregard of my wishes or orders, or has treated me with personal disrespect.

Before closing, it seems to me proper that I should again refer to a few matters of unfinished business, for your guidance in their adjustment.

The question of settlement with the Lackawanna and Bloomsburg Railroad Company for bonds, will come before you to-

day. My views have been so fully expressed, that I need say no more than to call your particular attention to the contract existing between that Company and this; and to suggest, that the clause granting us the right to transport coal at specified rates over that road, at least as far as Pittston (the same having been disclaimed by some of their most prominent and influential managers) should be by them reäffirmed and acknowledged, before the said bonds are paid for. The right to operate their road, which was a condition in our agreement to subscribe for said bonds, can better be yielded.

Some two or three unfinished matters remain to be adjusted with the Lackawanna Iron and Coal Company, connected with our depot grounds at Scranton, which have been deferred for our final decision upon the question of removing our passenger station-house. Your Attorney and Secretary understand all the points connected with this. In this connection, I would report to the Board, that, in accordance with their wishes, I have always given that Company the preference, in the purchase of our materials and supplies. By an arrangement made some months since, we were to be furnished with railroad axles at —— per ton, and merchantable bars at —— for the larger sizes (the smaller and more desirable sizes not being furnished by that Company.) I have recently discovered that for the last two months we have been charged a much higher price, the bills of which, having been approved by the proper officer, and one of them *paid* by the *Treasurer*, *without remark*, furnishes an apt illustration of the importance of having an Auditor to detect such mistakes, as often urged by me.* I have recently, again, made investigations, and find that we can obtain these supplies much cheaper from other sources, a list of prices and terms for which will be found on file. As Cooper & Hewitt's manufactures are acknowledged to be of superior quality, the great difference in price will certainly justify the Board in giving them a fair trial.

I have recently, in a former communication, called your attention to the importance of having the full possession and control of the Warren Railroad. If any reliance can be placed

* Other cases, showing the great importance of having an Auditor to examine and certify accounts, had been before often reported to the Board.

upon the opinions and reports of your officers having charge of the construction and transportation departments, this Company has already suffered very much from injudicious management of that section of our line, not only in extravagant expenditures of money, but in delays in preparing the road for the safe running of our trains.*

This matter demands your immediate consideration and action. And in connection with it allow me to refer to the claim now made by Messrs. R—— & D——, contractors for the construction of the large tunnel now before you.†

After all the declarations made to the stockholders of this Company by the President of the Warren Railroad Company, in confirmation of his discreet and economical management of the affairs of that Company, and the low price at which that work was to be completed, there can certainly be no propriety in your assuming his controverted contracts, and thereby involving this Company in litigation, or the payment of large damages on account of the mistakes of officers and managers not under your control.

It will be remembered that some months since I called your attention to the fact that an important document, containing erroneous statements, and unjust and injurious reflections upon some of your officers and managers, had been clandestinely taken from its proper custody, and printed without the knowledge or consent of any other officer or manager of the Company.

For reasons then assigned, the further consideration of the subject was deferred. As this will be my last opportunity, I deem it my duty now again to refer to it. As then stated, all the circumstances (and they were many and striking) referred the act to your ————. With a view to remove all doubt, and to give an opportunity, should one be desired, for explanation or apology, I addressed the following note:

* It has been before remarked that the son of the president of that road is one of the principal contractors for its construction. This, without being a good cause, may be the reason for these reports.

† The claim of Messrs. R. & D., contractors for the construction of the large tunnel, is likely to result in a large amount of damages to be paid, either by this, or the Warren Railroad Company; and in this connection it may not be amiss to state, that it was recently reported to me by one of the managers of that company, that but one meeting of that board had been held since the work was commenced.

———, Esq.: NEW-YORK, August 30, 1856.

DEAR SIR: I have in my possession a printed copy of the communication of on occasion of his resignation, etc., etc. Will you inform me by whose orders, or at whose instigation, the same was printed, and how the manuscript for the same was obtained? Your early reply will much oblige, yours very respectfully,

(Signed,) GEO. D. PHELPS, Pres't.

Having received no answer in two days, I again called his attention to the subject, when he replied *verbally*, in substance, that, if I would show him the pamphlet, *perhaps* he would give the information asked. For obvious reasons I declined his terms, and there the matter rests.* I do not know that any other of the Company's documents have been thus printed; some have been copied, I believe, and even my late communication of July 11th was, by the same officer, placed in the hands of a clerk to be copied, the very morning after its presentation to you, while it was virtually in the hands of your late special committee, and not yet acted on or reported upon by them. It is scarcely to be presumed that any *intended* wrong was contemplated, or any overt breach of confidence; and I can only account for the act upon the supposition of an inordinate disposition to cultivate the highest degree of popularity. Actuated by the same influence, and unrestrained by some action of your Board, who knows but *this* communication will be printed and circulated among the stockholders!

In accordance with your authority and instructions, many of the unsold bonds of the Company have been executed in blank, and hypothecated as security for moneys borrowed. There are at this time so disposed of, as follows: * * * * * * * * * *.

The disposal of the balance of our bonds is a question of great importance, and which will demand your immediate attention. I regret to be compelled to dissent from the plan proposed by your Finance Committee. Very many of our stockholders are quite unable to take any more of our securities, however low they may be offered; and they can hardly

* I had previously reported three other extra-official acts of the same officer, by which the Company were losers to a considerable amount; but it was not deemed "expedient" to act upon these cases until certain unfinished matters of business were disposed of.

fail to be dissatisfied with any arrangement which does not afford the opportunity for a free competition, and the highest market price; being more interested in keeping up the reputation and value of their present investments, than in obtaining more bonds at a reduced price.

I remain still of the opinion, heretofore often expressed, that the *general* interests of the Company would be promoted, and a higher standard obtained for *all* our securities, by the sale of a portion of our bonds in the London market; either through a local agent, or a special agent sent there for that purpose. Even should this plan be attended with considerable cost, the ultimate advantage to both the Company and the individual stockholders, could not fail to be more than adequate to any such expenditure. Should this suggestion still fail to secure your approval, I hope you will, upon discussion, come to the conclusion to offer them again at auction. The circumstances and prospects of this Company have much improved since the last sale; and if these circumstances are properly exposed and set before the public, I should have no fears of a result *less* favorable than the price suggested for their apportionment among the stockholders, while all cause of complaint on the part of our associates would be most effectually avoided.

The contract for a line of telegraph from Great Bend to New-Hampton, has been executed, and the work is rapidly progressing. The same contract provides for extending the line to Ithaca and Elizabeth Port, at our option, in which case arrangements will need to be made with * * * * * * * * *

Nothing else of special importance, or which requires your immediate attention, occurs to me, at this time. As before intimated, I shall cheerfully give any assistance necessary to transfer all unfinished business into the hands of my successor, who, I most sincerely hope, will prove more competent and successful.

As reported in my last communication, the prospects of the Company are most cheering and hopeful. The problem of our success is solved. Every day increases my confidence in the final realization of all our anticipations. Notwithstanding the vexatious delays in the opening of our southern division, and the other untoward events of the first half of the year, I still think, that with a proper distribution of the accounts, and the

continued zeal and activity on the part of our officers and agents, the close of the year will show net earnings of full seven per cent, and for all future years of full twelve per cent per annum. I can, therefore, most cordially unite with your late special committee in their expression, that "up to the present moment, there is nothing in the aspect of the work but what is calculated to give confidence and encouragement in the enterprise." With the most earnest desire that we may realize all these anticipations, and with the best wishes for your associated and individual peace and happiness,

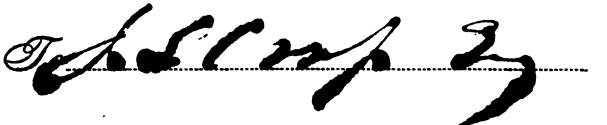
I remain, very truly and respectfully, yours, etc.,

GEO. D. PHELPS.

192

CONFIDENTIAL.

For the Stockholders of the Delaware, Lackawanna, and Western Railroad Company ONLY.



DEAR SIR:—The accompanying copy of my communication to the Board of Managers of the D. L. & W. R. R. Co., resigning the office of President of that Company, was printed several weeks since, but has been almost wholly withheld from circulation in the hope that its more general distribution would be found unnecessary. Nothing has transpired, however, up to this time, to lessen my former impressions of duty; while some circumstances have rather tended to strengthen those convictions. Acting upon what I deem good advice, I now place a copy in your hands, together with the annexed copy of my communication to the Board, of 11th July, and also the Report of the Special Committee thereon, (which Report, and its acceptance, was the direct and immediate cause of my resignation,) that you may more correctly judge of my faithfulness to your interests during the last four years, and that you may the more intelligently discharge your duties and enjoy your prerogatives as a Stockholder. I could draw but one inference from the peculiar and extraordinary opposition of certain members of the Board; and as I could not change my convictions of duty, it was only for me to remain, subject to constant annoyances, or to resign, and free myself from them. I believe I adopted the wiser and better course.

It is due to my late Executive Committee—who, from their more frequent visits to Scranton, and the Company's Works, and their (almost daily) attendance at the office for business purposes, were most familiar with the circumstances and wants of the Company—to state that, with but one exception, (Mr. D., who seldom met with them,) they were wholly free from any conflicting interests,

and that they almost invariably approved of my suggestions and recommendations, and heartily sustained me in all my efforts to promote the best interests of the Company.

It is also proper to state that five other members of the Board (so far as has come to my knowledge) were unembarrassed with any *personal* opposing claims; but the social and business relations of some of them, with other parties, interposed great obstacles to their free action and expression of opinion; and they have generally remained quite neutral.

Some explanatory foot-notes have been appended to this, and some additional explanations have been suggested, as necessary to the *accompanying* document, which please add to the several notes, as follows—viz:

To the last note on second page of the other document, add—"I have since learned that Mr. Blair, one of the Special Committee, and one of the parties more particularly referred to, as 'systematically opposed to my measures,' submitted to Mr. Young, the Chairman of the Committee, a long and decidedly hostile *counter report;* which, though submitted to other parties, was not even *named* to me. Thus, we have the very anomalous case of a grave communication from the President of a Company, implicating the official conduct of at least two of its officers, referred to a Committee, of which one of its most active members had long been habitually hostile to said President, and the officer most directly implicated invited to a full conference with the Committee, while the author of the communication is kept in profound ignorance of their movements, till their Report is presented to the Board. And all this, notwithstanding the request and promise that an opportunity for further explanations should be given."

Add to note on page sixth—"Among other remarks recently made, is this, that I was 'impracticable,' etc. True, I was 'impracticable,' when I felt that the interests of the stockholders were in jeopardy—the benefits of which impracticability to the stockholders, like some other *preventive* measures, may never be known."

Add to note on page seventh—"My views on this subject have been greatly misrepresented, or misunderstood. I do not object to any stockholder or manager being interested in other associations or enterprises on the line of our works, to *any extent.* But I do think that when such interest is greater—in any other association or concern with which this Company is in regular business intercourse, (the respective capitals of the two Companies being considered)—than that possessed by the same party in this Company, and is of a nature to conflict with that of the Railroad Company, then such party can not consistently act as a manager in the latter Company. To illustrate my point, and show the existing difficulty more clearly, I will state a *few* of the cases.

"One party is interested in the Railroad Company to the extent of $\frac{1}{1\,5\,2}$ of its capital; in another company, to the extent of $\frac{1}{8}$; in another, to the amount of $\frac{1}{5}$; and in another, to an amount not known, but believed to be much larger than that in this Company. Another person is interested in this Company to the extent of $\frac{1}{3\,4}$ of its capital; in another company, to the extent of $\frac{1}{7}$; in another, to $\frac{1}{5}$. Another member is owner of the stock of this Company to the extent of $\frac{1}{3\,4}$ of its capital; in another

company, to the amount of $\frac{1}{3}$; in another, $\frac{1}{4}$; in another, $\frac{1}{11}$; in another, $\frac{1}{3}$.* Three others are similarly interested, though not in the same disproportions. Now, assume a contract between this and any of the other Companies, for the transportation of freight, by which a concession of $\frac{1}{4}$ of a cent per ton per mile is made—in one case, the difference might be $60,000 per annum; in another, say, $30,000; and in other cases, more or less, according to the amount of freight transported.

"It is easy to see how the interest of the several parties would be affected. In one case, he might lose, as a stockholder in the Railroad Company, the $\frac{1}{113}$ part of the amount, and, in his other relation, gain $\frac{1}{6}$ or $\frac{1}{8}$ of the same amount, as the case may be. In another case, another party would lose $\frac{1}{34}$, and gain $\frac{1}{8}$. In another contract, the same party would gain $\frac{1}{8}$, and lose $\frac{1}{34}$ of any assumed amount. In another case, the same party would lose $\frac{1}{34}$, and gain $\frac{1}{113}$, of the amount at issue. The third party referred to would be affected as a stockholder in this Company to the extent of $\frac{1}{33}$ part, and in the other Companies, respectively, $\frac{1}{3}$, $\frac{1}{4}$, $\frac{1}{11}$, etc.—the other rates not being known. It is needless to enlarge upon this idea. Every one who has any knowledge of railroad transportation business, is aware of the constant, almost daily occurrence of losses, damages, delays, and other events, requiring as frequent negotiations and settlements between the parties; and every one who has any knowledge of human nature, knows how difficult it is, under the circumstances here presented, to avoid all conflicting interests, though they may not openly show themselves."

To the note on page eighth, add—"It is due to my predecessor in office to state that he served the Company without salary—it being understood that the duties of the office were mainly to be performed by the *then* General Agent at Scranton; and, therefore, no responsibility should have attached to him; nor am I disposed to impute blame to *any one* in this respect. No Company has any reason to expect careful services without an adequate compensation for such service."

When I entered upon the very arduous and very responsible duties of my late office, I promised to remain no longer than I could faithfully and successfully promote the interests of the Stockholders; and though my confidence in my own ability and disposition to serve you acceptably is not in the least diminished, yet it was quite plain to me that the existing circumstances made it an imperative duty to myself, if not also to you, to retire from a position so fraught with difficulties and embarrassments.

Should these communications and explanations have the effect to convince the Stockholders that I have not been unfaithful to the trust committed to my charge, and that I did not abandon my post without good cause, my principal object will have been attained.

January 17th, 1857. GEO. D. PHELPS.

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* These statements have been obtained from sources supposed to be reliable, and are believed to be very nearly correct, without regard to fractions.

Office of the Delaware, Lackawanna, and Western Railroad Company,
51 WALL STREET, N. Y., July 10th, 1856.

To the Board of Managers of the Delaware, Lackawanna, and Western Railroad Company.

GENTLEMEN:

Every day's experience in the discharge of my duties, only confirms my convictions of the necessity of the many and important changes and additions in the several administrative departments of this Company, which have often been brought to your notice; and which I deem it my duty once more to lay before you, in this more formal manner.

Without troubling you with the details to illustrate the vast and rapid increase in the duties of your executive officers, I may safely venture the assertion that *few*, if *any*, of you have any true sense of the present responsibilities and duties which devolve upon the head of your Company.

In addition to the supervision of our own works, which have cost some $8,000,000, the general oversight of the Cayuga and Susquehanna, and the Warren Railroad, and the works at Elizabeth Port, costing an additional sum of nearly $3,000,000, devolve upon this office. Nor is *this* all. The arrangements for using the Central Railroad of New-Jersey and the New-York and Erie Railroad, amount to about the same thing in duty, and more in care and perplexity, than the supervision of a whole line from New-York to Ithaca, a distance of 265 miles, to say nothing of the arrangements for sending our coal cars over the whole of the New-York and Erie, and most of the connecting roads.*

The Coal business of this Company alone has become nearly equal in amount to either the Delaware and Hudson, or Pennsylvania Coal Company; and infinitely more difficult to manage, because scattered over a large portion of the States of New-York and New-Jersey, whereas the business of the two Companies mentioned is mostly concentrated at a single point. In connection with this idea I may call your attention to the fact, not always recollected, that while we have been *working* a pretty extensive system of improvements, our operations in the *construction departments* have not only been extensive, but difficult in their own

* From Jersey City to Buffalo, and through the whole line of Canals.

nature, and still more embarrassing and trying from the circumstances connected with the Engineering department.*

Notwithstanding the great variety and constantly increasing duties to which I have briefly noticed, I have hitherto endeavored to keep a careful watch and an intimate supervision over the whole; but I have been long satisfied, and have often reported to you, that more help, and some change in the organization of our affairs, is essential to the best interests of the Company.

It has been my custom, and under our present arrangements I am required, not only to discharge all the duties ordinarily devolving upon the President of both a Railroad Company and of a Coal Company, but also to negotiate nearly all the contracts for the purchase and sale of coal, (some of them neither small nor unimportant) of contract for all the engines, cars, and other equipments of the road, and to superintend the purchase of all the materials and supplies obtained in this and in foreign countries; neither of which latter duties, so far as I know, are performed by the President of any other important Railroad Company in the United States. Over and above all this, the signing of 4400 Bonds, (every one of which has been carefully examined by me,) and all the acceptances issued by the Company, and on my personal account signing checks and approving accounts, has made it always difficult and frequently impossible for me to be absent from the office a single moment during the business hours of the day.

Furthermore, and what was quite unexpected to me, I have found it necessary to perform many and much the most trying duties of the Treasurer of the Company.

The foregoing allusions are not made by way of complaint against any one, least of all against the members of the Board; most of whom have discharged their duties as individuals, and as members of the various committees, with unremitted zeal and faithfulness, many of them much more so than could be reasonably expected of gentlemen laboring without compensation. My motive is to call your minds to consider and act upon the following suggestions and changes which are now most respectfully recommended, namely:

First. That the President be hereafter relieved from the necessity of providing the means for making the current payments of the Company; and that that duty devolve wholly on the Treasurer, under the advice and assistance of the Finance Committee: or, failing to grant this relief, I ask to be provided with a salaried officer to assist me in those duties, and that the office now held by me, and other necessary duties of the Company be placed under my control.†

Second. That the customary office of Auditor of Disbursements be created, and a suitable person be appointed to discharge those duties through whom I may have a proper insight into and supervision of the accounts of all the various departments of the Company: or, failing to accept of me this boon, I shall be obliged if the Board will formally exonerate me from all responsibility appertaining to the accounts of the Company.‡

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* When going into detail I will simply state that the [illegible] agent, assistant in the purchase of the large [illegible] for the road for some 12 or 15 miles and then to [illegible] to consultation engineer in those distant [illegible] were frequently required of the Board and [illegible]

† I have made provision for the payment of [illegible] may be conducted [illegible] Company.

‡ [illegible] Board [illegible] Executive Committee [illegible]

§ [illegible] duties. I [illegible]

Third. That the Board will provide a suitable person to make, or superintend, the sales of coal east of the Hampton Junction. That duty is daily increasing in importance, and the business of the Company can not much longer be safely managed without such an officer. Mr. Dimond is a most faithlul and deserving officer, but his duties in providing all the means for shipping and delivering coal, superintending over barges, ec., tare quite as much as one man can advantageously perform. It should be borne in mind that in this branch of our business especially, more and better help is needed in its formation state than will be required after all plans are perfected and matured, and a good run of customers obtained, and the trade fully established. This remark will apply with equal force to nearly every other department of our enterprise.*

Fourth. A purchasing clerk is much needed and strongly recommended to the Board. Our present arrangement works as well as any similar one could be expected to operate, but our purchases of materials and supplies amount to a large sum of money; a very small per centage on which, would more than equal the salary of a suitable clerk, and his services would in various other ways be of great value to the Company.

Fifth. Connected with the above, and nearly equal in importance, is the office of store-keeper, through whose hands all supplies should pass, and there be charged to the several departments consuming the same. This office might conveniently be located at Elizabeth Port, and the officer might assist in the coal shipments, where all his spare time could be profitably employed in place of Mr. Lippincott's clerk, now employed there.

Sixth. A reörganization of the superintendent and engineering departments is, in my opinion, important. The principal superintendent does not seem to possess the confidence of the Board.† He is certainly deficient in some important qualifications, while he possesses others in an eminent degree. If deemed best to retain him, I would recommend that Mr. Stowe be transferred to the Northern Division, as assistant superintendent, where his services in our connections with the New York and Erie Railroad Company, would be very valuable. And I would then suggest that Mr. Rogers, the present engineer of the Warren Railroad, be made assistant superintendent of the Southern Division, and engineer for all remaining construction works. For both positions I believe him well qualified. We are now employing two or more engineers, both of whom could be very soon discharged, and their duties be well performed by Mr. Rogers, thus saving much in current expenses, if not adding to the efficiency of the two departments; and at the same

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appointment of the officer as a *great necessity*, and many months ago a very competent person was found and approved by the Executive Committee, and by them nominated to the Board. His services were not only needed to examine and certify all accounts and bills at the principal office, but his duties would lead him to frequently investigate the books and accounts of *all* officers on the line of our works. It is an office quite common in similar institutions, and one which our present Treasurer long occupied in the N. Y. and Erie R. R. Co., before he came into the service of this Company. From some cause, quite unaccountable, our Treasurer always strenuously opposed the appointment, and I confess that his peculiar opposition led me to fear that there was the more reason for its adoption. Other reasons, not proper to refer to in this place, led me to believe the appointment necessary to my successful management of the affairs of this Company.

* The great importance of this suggestion has been abundantly manifested, and if I am not greatly mistaken, the salary of a most competent coal salesman has been lost to the Company several times over. The same remark will apply to more than one of the following recommendations.

† This change has since been made.

time giving Mr. Dotterer more time to devote to the machine-shop, where his services are much needed, and for which service he is better qualified.

Seventh. The office of master of bridge repairs is now vacant, and was never, in my opinion, properly filled on our road.

Our bridges are now many; and some of them *very costly*, and the maintenance of all *vastly important* to the business interests of the Company.

They are constantly liable to destruction or damage, and the use of neither of them could be dispensed with a single day, without great loss; hence the importance of their being carefully watched and kept in constant repair. But of equal importance is it to have suitable provision for their reconstruction in case of destruction; and that too in the shortest possible time. To this end a bridge repair-shop, a cheap structure, should be provided at Scranton, where at least one span, or arch of each of the different sized bridges (and I believe they are all of three models, or patterns) should always be kept ready made, together with such other timbers and materials as are most likely to be needed, and most difficult to be obtained. Also, all the most important patterns, used in the construction of the several bridges, should be there carefully preserved. Mr. Best, brother of the builder of all our bridges, is an applicant for that office, with his brother's strong recommendation.*

Eighth. A master of gravel trains is, in my opinion, a very important officer on our road, and will be so for some time to come. Until our road is fully completed, a great many gravel trains will be needed in constant employ, and they can not be so economically and efficiently worked without a controling and constantly supervisory head.†

Mr. Adams, who has been long in our employ, in various capacities, has now the partial control of this service. I recommend that all the gravel trains on the Southern and Warren Divisions be placed under his general supervision.

Road and track-masters, foreman of section men, etc., are more properly the creatures of the general agent or superintendent; but with a view to create more efficiency in the several departments, and a better selection of the various sub-officers, I recommend:

Finally. The adoption of the following resolution to become one of the By-Laws of the Board. Having long and carefully considered this matter, I do not hesitate to urge the main principle of the recommendation, as being under existing, circumstances, very important to the best interests of the Company; and in this connection, while I would refrain from any discrimination among our officers at Scranton, I can not but refer to our counsel, or attorney, Mr. Brisbin, as one whose capacities and peculiar qualifications render it the interest, if not the duty of this Board, to place him in a position where his talents can be made more useful to us, and his good influence be more generally felt, all over the line of our Works; and I would suggest that his title be "Attorney and Counsel" to the Board, instead of "Counsel," as at present.

[Here follows the plan of organization of the "Local Committee" at Scranton, which having been immediately adopted by the Board, and not referred to the "Special Committee," is herein omitted. My second communication, of Aug. 8th, is also omitted, for the latter reason, above named.]

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* This important suggestion remains unheeded, so far as I am informed, except in regard to the patterns which have been secured.

† This measure was deemed so reasonable and necessary by "the Local Committee," that they had immediately adopted it, and it had some time been in successful operation, when reported against by the "Special Committee."

Having long felt the great importance of the measures now suggested, many of which have frequently been verbally stated in your presence, I now deem it my duty to place them before the Board in such way as will give the greatest facility and least trouble in considering them; and with such careful and candid consideration I shall be well satisfied, whatever may be your decision in regard to *any* or all of these suggestions.

Very respectfully,

(Signed) GEO. D. PHELPS, President.

Report of the Special Committee on the foregoing.

The Committee appointed at a meeting of this Board, held on the 11th July ult., and to whom was referred a part of the communication of the President, having for its object, important changes in the organisation of this Company, have given to the subject as much attention and consideration, as circumstances would permit, and submit the following Report.

The enterprise in which this Company is engaged, and which we hope soon to see accomplished, is one of great magnitude. It proposed originally no less an object than that of supplying the whole of Western New-York, and the country bordering on the Lakes, including a part of Canada, with a superior quality of hard, or anthracite coal, to be obtained at Scranton, and its vicinity. The favorable result obtained, in prosecuting the earlier part of this work, was so satisfactory, that it was judged wise, not only to extend and enlarge its operations in supplying the Western market, but to open a road, over which this coal might be transported to the city of New-York, and thus enable the Company to share in the large and profitable traffic, of supplying the Eastern market also. The building, or constructing of this road, has no doubt been the direct cause of the great increase of labor to which the President has referred. This pressure has been the more keenly felt by the officers of the Company, as your Committee believe, because of the deep interest they have uniformly taken in the success of the work. This state of feeling on the part of the executive of the Company, has given increased confidence to the Managers that the work would not only be completed in due time, but be well done—done in such a manner as to secure to the Stockholders a liberal and satisfactory return for their capital expended.

Up to the present moment, there is nothing in the aspect of this work, but what is calculated to give confidence and encouragement in the enterprise; and your Committee entertain a well-grounded hope, that the officers and managers will, each in his place, stand fast, and not entertain even the thought of laying off the harness until a result is brought out that shall prove satisfactory to all who have an interest in the Company.*

The suggestions by the President, made in his communication, are given under eight several heads, all of which are important, as will be seen by a reference thereto; but, at the present time, there is, as your Committee thinks, good reason

* Up to this point no notice is taken of the business referred to; but an intimation is thrown out, that what is to follow might constrain some one to "lay off the harness."

to act with great caution, in regard to making changes in the organization of the Company.

We have at the present time, in the service of the Company in the city, a President, Treasurer, and Secretary, whose duties are specifically pointed out in the By-Laws, covering all the executive duties required, to carry forward the business of the Company in the most efficient manner. The By-Laws of the Board, very properly give to the President, or, perhaps we should say, render it the duty of that officer, to exercise a general supervision over all the concerns of the Company and officers, and employees. This relation established by the By-Laws, between the President, the officers, and the concerns of the Company, your Committee regard as important, and one which, for slight cause, ought not to be disturbed.*

The gentlemen filling these offices enjoy, as your Committee believe, the entire confidence of the Board, and there does not appear any necessity for a change; but, if they are properly sustained by this Board, and they are careful to aid and sustain each other, as contemplated by the By-Laws, we can not fail, as your Committee think, of reaching a result in the business of the Company, that will be quite satisfactory.

It is possible that some additional aid may be required, in the way of clerks, which the Board will no doubt grant, on the first intimation from the proper source that they are wanted.†

We have at Scranton a full list of officers, all of whom, so far as the Committee are informed, are entitled to, and enjoy the confidence of the Board.

We have in addition also at Scranton a Local Committee, whose special duty it is to suggest such measures and such changes, from time to time, as seem to them best calculated to promote the interests of the Company.‡

Your Committee think, and therefore recommend, that for the present there be no additional officers appointed. The suggestions of the President, under the sixth, seventh, and eighth heads, relating to the reörganization of the engineering department, the employment of a suitable person to look carefully after the condition of the bridges of the Company, and some one to give special attention to the gravel trains, are all very important. The roads of the Company are now so nearly completed, that a large saving may be made; or, at least, ought to be made in the expenses of the engineering, without losing any thing in the efficiency of that department.

To accomplish this in the best manner, the Committee suppose that recourse should be had to the General Agent and the Committee of which he is Chairman; counsel from this source ought to be reliable; if it is not, then we ought to consider at once the subject of making a change.§

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* At this very time, it was well known to the author of this Report, (for he had been often told,) that I could not properly and satisfactorily discharge my duties for want of the services of an Auditor—an office that had always been provided for in the By-Laws, and only, or mainly objected to by the Treasurer.

† All the new appointments recommended by me were *but clerks*, and yet the President does not appear to be "*the proper source.*" The appointment of the brother-in-law of Mr. Young, on his nomination, to an important position in the general office, immediately after I left the Board, seems to indicate the "proper source."

‡ This "Local Committee" was organized by the adoption of the last recommendation in my communication, which was the subject of this Report, and had *no cognizance* or powers over such matters as were referred to by me. Nevertheless, had this Special Committee consulted the "Local Committee," they would have received a hearty approval of nearly every one of my recommendations.

§ I had sought and obtained this very "counsel," but did not deem it my duty to back up my recommendations by quoting the opinions of subordinate officers, innocently supposing that the President was "the proper source" from which nominations and recommendations should come to the Board.

The Committee would suggest the propriety of requesting our General Agent at Scranton, Mr. Archbald, to detail some good mechanic at the ordinary price paid for the labor of such persons to be employed in preparing the material, and to keep it always in readiness, promptly to repair or re-construct the bridges of the Company whenever occasion may require it.*

Mr. Archbald is himself a competent engineer, understands perfectly all that appertains to railroads, the mining and transportation of coals. Some years back, Mr. Archbald was well known by one of your Committee as the General Agent of the Delaware and Hudson Canal Company at Carbondale, at which place he had the entire charge of the Railroad of the Company, having himself constructed it; also of the opening and working the Coal Mines.

At that period Mr. A.'s opinion was regarded as worthy of all confidence: he was many years in the employ of the Company, and was ever considered an economical, safe, prudent, and energetic Manager.

He gave entire satisfaction to the Directors of that Company, and seldom, if ever, disappointed them in the results that he promised.

Mr. A. is now some years older than when he was thus known, but it is believed that, if now trusted and relied upon, to plan and execute the business of our Company at Scranton, his prudence and energy would still be found equal to the task of accomplishing any reasonable requirement. In regard to the management of the gravel trains, the Committee suppose the superintendent, with the advice of the local Committee, will be able to arrange and work them on some plan that will be satisfactory, without the expense which must necessarily follow an appointment made for this specific object by the Board.†

The present seems to be a period in which we should exercise a strict regard to economy, and at the same time make strong efforts to enlarge the business.‡

And your Committee will venture the suggestion, that if more power was granted to Mr. Archbald, and he was held more directly responsible for results, that a large business might at once, or within a reasonable time, be realized.§ This accomplished to an extent that will insure an income sufficient in amount to meet the interest on the outstanding bonds and capital of the Company, we shall be at ease, and then quite free to make such changes in our organization as wisdom and experience may suggest.

In this Report, the Committee has inadvertently omitted to remark on the recommendation of the President under the Third Head, to wit: "That the Board should provide a suitable person to make or superintend the sales of coal east of the Hampton Junction."

This service the Committee believe could be well accomplished by a person to be employed by the Coal Committee, to act under the advice and counsel of said Committee.

New-York, Aug. 29th, 1856.

HENRY YOUNG,
J. I. BLAIR,
} *Committee.*

* I appeal to the judgment of any competent R. R. officer, whether my recommendation, or this rejection of it, is most productive of the interest of the Company. The trifling additional expenditure suggested might save to the Company thousands of dollars. The same measure has been adopted as an indispensable means of safety by nearly all companies—even where the bridges and tresselings are of far less cost and magnitude.

† As stated in a preceding note, this appointment was regarded of so much and *immediate* importance by the "Local Committee," that it had been made, and the measure was in successful operation at the very time this impartial Committee reported against it.

‡ I do not hesitate to express the most confident opinion, that if my recommendation of an Agent for the sale of coal had been adopted, the result would have been many thousands of dollars benefit to the Company in the extra quantity of coal sold, and much preparation and expense for stocking coal would have been unnecessary.

§ See note on 5th page of my other communication.

It will be observed that the Committee most carefully avoid all reference to the first two and the most important recommendations in my communication—viz: the appointment of an Auditor, &c. For more than two years, this measure had been frequently and earnestly recommended to the Board. The By-Laws had always provided for the office, and contemplated the appointment. The Board had voted me a clerk, with a salary of $1,500; which needed help, I voluntarily relinquished in the hope that I might thereby have granted to me this more important assistant and up to the time I left the Board, I never had an assistant of any kind. At one time, encouraged with the hope that this point would be yielded, I secured the services of a most competent accountant, (for many years a bank cashier,) at a salary of $1,500, the same sum that had been voted me for a private clerk. The employment of this person was approved by the Executive Committee, and by them recommended to the Board, and——rejected, because of the opposition of the Treasurer—the same influence which defeated the recommendation in the last case. Is it asked how this officer obtained and exercised so much influence over some members of the Board—the reply would not be difficult or "expedient." Is there still any wonder that I resigned? If so, I am prepared to give further explanations.

Having made *very* large sacrifices of both my means and my comfort to promote the interests of the Company, and most sincerely believing that the interests of the Stockholders are in jeopardy from the causes herein alluded to, I believe I have only done my duty to myself and you in thus addressing you. G. D. P.

8
189

NINTH

ANNUAL REPORT

OF THE

PRESIDENT AND MANAGERS

OF THE

Delaware, Lackawanna and Western Rail Road Co.

TO THE STOCKHOLDERS.

for 1861
made 1862

New York:
S. S. MOTLEY, STATIONER, 16 WILLIAM STREET, COR. BEAVER.
1862.

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1862.

OFFICERS

OF THE

Delaware, Lackawanna and Western Rail Road Co.

FOR 1862.

CHRISTOPHER R. ROBERT,..... ..... PRESIDENT.
DRAKE MILLS, ... *Vice-President.*
ANDREW J. ODELL,..... *Treasurer and Secretary.*

MANAGERS.

DRAKE MILLS,
JOHN J. PHELPS,
WILLIAM E. DODGE,
MOSES TAYLOR,
GEORGE BULKLEY,
JOHN I. BLAIR,
HENRY YOUNG,
CHARLES H. MARSHALL,
SAMUEL L. MITCHILL,
RUFUS R. GRAVES,
LOWELL HOLBROOK,
SIMEON B. CHITTENDEN,
SAMUEL WETMORE,
DAVID THOMPSON.

STANDING COMMITTEES.

Executive Committee.

JOHN J. PHELPS,
MOSES TAYLOR,
DRAKE MILLS,
GEORGE BULKLEY,
RUFUS R. GRAVES,
JOHN I. BLAIR,
WILLIAM E. DODGE.

Finance Committee.

MOSES TAYLOR,
JOHN J. PHELPS,
JOHN I. BLAIR,
SIMEON B. CHITTENDEN,
SAMUEL WETMORE,
DAVID THOMPSON.

Coal Committee.

DRAKE MILLS,
GEORGE BULKLEY,
JOHN I. BLAIR,
WILLIAM E. DODGE,
CHARLES H. MARSHALL,
LOWELL HOLBROOK.

Barge Committee.

GEORGE BULKLEY,
SAMUEL L. MITCHILL,
CHARLES H. MARSHALL.
DRAKE MILLS.

Committee on Accounts.

HENRY YOUNG,
RUFUS R. GRAVES,
LOWELL HOLBROOK,
SAMUEL WETMORE.

ANNUAL REPORT

FOR

1861.

In pursuance of the action of the Stockholders at their last annual meeting, the Board of Managers obtained the requisite legislative authority to change the time for holding the yearly election, to the Tuesday preceding the last Friday of February, in each year. For the first time, therefore, the Board is enabled to submit, at the regular meeting, a complete statement of the business for the preceding year.

The following exhibits will show the results of the business for 1861:

TRANSPORTATION DEPARTMENT,

REVENUE.

From Transportation of Coal,		$1,770,124 29
" "	Merchandise,	253,027 85
" "	Express Freight,	8,621 32
" "	Mails,	10,217 75
" "	Passengers,	101,099 18
" "	Extra Baggage,	114 25
" Storage,		64 36
" Telegraph,		671 45
" Rents,		400 00
" Use of Locomotives,		13,758 09
" " Cars,		11,847 46
		$2,169,946 00

EXPENSES.

Cost of Operating the Road, Repairs of Track, Equipment, Buildings, etc., including all extraordinary expenditures for renewals,	830,266 22
Profit,	$1,339,679 78
The Profits for 1860, were	1,316,688 60
Increase,	$22,991 18

COAL DEPARTMENT.

TONNAGE.

Quantity on hand, Dec. 31st, 1860, ... net tons		67,456 15
" carried to market in 1861, viz:		
Mined by the Company from lands owned and leased by them, ... net tons,	572,015 13	
Purchased from other parties, ... "	532,303 06	
		1,104,318 19
Net tons,		1,171,775 14
Quantity sold and delivered in 1861, ... "		1,042,109 14
" on hand Dec. 31st, 1861, ... "		129,666 00

The quantity sent to market in 1861, was 24,091.09 net tons in excess of 1860; and the stock on hand 31st Dec., 1861, is 62,210 net tons more than the previous year.

REVENUE.

Value of Coal on hand Dec. 31st, 1860, ...	$211,214 85	
Paid for the Mining, Purchase and Transportation of Coal, and all other expenses of this Department in 1861, ...	3,591,836 11	
		$3,803,050 96
Received for Coal sold, Rents, etc	3,196,114 23	
Value of Coal on hand Dec. 31st, 1861, ...	346,337 88	
		3,542,452 11
Loss, ...		$260,598 85

No allowance is made for the coal mined from the lands owned by the Company; and the freight is calculated at 2 cents per gross ton on the Southern Division, 2 cents per net ton on the Northern Division, what is actually paid on connecting roads, and a charge on the latter for use of cars.

INCOME ACCOUNT.

Balance of account Dec. 31st, 1860,		$2
Add reversion of interest by forfeiture of Scrip Stock,		
		$2
Income for 1861, as follows:		
Profit in Transportation Department,	$1,339,679 78	
Interest on Warren R. R. Stock, (other than that in Renewal Fund),	4,728 50	
Sundry other items of Income,	4,668 00	
		$1,349,076 28
Less:		
Loss in Coal Department,	$260,598 85	
Insurance, Taxes and Losses	38,072 39	
Balance of General Interest Account,	22,208 77	
		320,880 01
Net Earnings,		$1,028,196 27

DEBITS.

Interest on Mortgage Bonds of 1871,	$63,000 00	
" " " 1875,	104,930 00	
" " " 1881,	175,175 00	
" Income Bonds,	445 79	
" Warren R. R. Bonds,	42,000 00	
" " " Stock,	86,177 88	
Rent of Cayuga & Susqueh'na R. R.	54,600 00	
		526,328 67
Net Profits for 1861,		$501,867 60
Deduct:		
One year's Interest at six per cent. on Capital Stock, paid July 10th, 1861, in Warren R. R. Stock,		317,592 00
Balance of Income Account Dec. 31st, 1861,		$

CAPITAL STOCK.

Outstanding Dec. 31st, 1860,	104,985	Shares,
On which had been paid,		
There has since been paid on account of this Stock,		
There has also been settled of the Scrip Stock issued in June, 1860,	70	"
Issued for $42,000, Second Mortgage Bonds of 1881, converted	840	"
Total amount outstanding Dec. 31st, 1861,	105,895	Shares.
On which has been paid		

Of this amount, 105,864 shares are paid in ful
shares are partially paid. The 1,812 shares of scri
maining unsettled, have been forfeited, in consequ
refusal, by the parties to whom they were allotted
them, and pay the moneys required thereon. The
have been endorsed upon the forfeited stock has therefo
to the Income Account of the Company.

CONSTRUCTION ACCOUNT.

(EXCLUSIVE OF WARREN RAIL ROAD.)

Cost of Rail Road and Equipment to Dec. 31st, 1860,		
Expenditures in 1861:		
For two Locomotives,	$18,900	00
For new Tracks and turnouts,	1,426	03
For Old Right of Way, Fences,	7,077	01
For New Trestles at Elizabethport,	111	97

The EQUIPMENT on 31st December, 1861, was as fo

Locomotives,	
Passenger Cars,	
Baggage and Express Cars,	
House Freight Cars;	
Platform Freight Cars,	
8 wheel Coal Cars.	
4 wheel Coal Cars,	
Wreck Cars,	
Caboose Cars.	
Derrick Cars,	

WARREN RAIL ROAD.

Amount expended to Dec. 31st, 1860,		$1,703,548 60
Expenditures in 1861, were as follows:		
For Tunneling, (including Arching),	$130,163 53	
For New Tracks, Turnouts, &c.,	7,599 41	
		137,762 94

Moneys expended on this Road are refunded in the Stock of the Warren Rail Road Co. at par. The Chief Engineer confidently expects that the Tunnel will be open for the passage of trains, during the month of May next.

VESSEL PROPERTY.

Amount expended to Dec. 31st, 1860,	$59,956 42
Paid for one new Barge in 1861,	4,150 00
	$64,106 42

This property consists of one schooner and nineteen barges.

RECAPITULATION OF CONSTRUCTION ACCOUNTS.

Old Right of Way,	$7,077 01	
New Tracks and Equipment,	20,437 90	
New Barge,	4,150 00	
Warren Rail Road,	137,762 94	
		$169,427 85

RENEWAL FUND.

Balance of this Fund Dec. 31st, 1860,		$257,405 87
There has been added since:		
Amount of Stock surrendered under plan of resuscitation, in 1857 and 1858,	$41,950 00	
Three years Interest on same, payable in Stock,	7,550 00	
Interest matured on assets of Fund,	28,998 42	
		78,498 42
Amount of Fund, Dec. 31st, 1861,		$335,904 29

ASSETS OF RENEWAL FUND, (AT PAR.)

Stock of Warren Rail Road,	$303,100 00	
Bonds of Warren Rail Road,	22,100 00	
Bonds of Lack. & Bloomsburg R. R. Co. (1st Mort'g)..	32,000 00	
Stock of Del. Lack. & Western R. R. Co.	66,000 00	
		$423,200 00

RESERVED FUND.

The amount of this Fund Dec. 31st, 1861, is $156,773 06

ASSETS, (AT PAR.)

Second Mortgage Bonds of D. L. & W. R. R. Co.	$112,500 00	
First " " of " "	11,000 00	
First " " of Lack. & Western R. R. Co.	4,000 00	
Second " " of Lack. & Bl'msburgh "	75,500 00	
Stock of Washington Mills, (taken for debt),	9,500 00	
Stock of Syracuse & Oswego R. R. Co. (taken for debt),	1,000 00	
Scrip of Atlantic Mutual Insurance Co.	1,460 00	
Stock of Delaware, Lackawanna & Western R. R. Co..	42,000 00	
Stock of Warren R. R. Co.	2,500 00	
		$259,460 00

SINKING FUND FOR BONDS OF 1875.

The amount of Bonds retired is $117,000 ; and the mortgage has been satisfied to that amount by entry on the records. The interest accruing on that sum will continue to be paid to the Trustees for the benefit of the Fund.

The condition of the Rail Road, Coal Works, and other property of the Company, is as good as at any previous time; and the cost of all repairs and renewals, both ordinary and extraordinary, necessary to keep them in such excellent order, is, as usual, included in current expenses.

All of which is respectfully submitted.

C. R. ROBERT, *President.*

NEW YORK, *February* 21, 1862.

MANAGERS.

DRAKE MILLS,	HENRY YOUNG,
JOHN J. PHELPS,	CHARLES H. MARSHALL,
WILLIAM E. DODGE,	SAMUEL L. MITCHILL,
MOSES TAYLOR,	RUFUS R. GRAVES,
GEORGE BULKLEY,	LOWELL HOLBROOK,
JOHN I. BLAIR,	SIMEON B. CHITTENDEN,

SAMUEL WETMORE.

Delaware, Lackawanna and Western Rail Road Company.

BALANCE SHEET, DECEMBER 31st, 1861.

Cost of Rail Road and Equipment,	$9,173,466	42	
" Coal Lands and Improvements,	453,958	19	
" Barges and Schooner,	64,106	42	
" House and Lot in Oswego, (taken for debt,)	1,400	00	
Cash on hand,	69,912	81	
Bills Receivable,	137,072	48	
Accounts Receivable,	321,012	53	
Coal on hand,	346,337	88	
Materials on hand,	474,852	30	
Advanced for new Openings not yet available,	54,353	00	
Renewal Fund Assets, (cost)	416,650	00	
Reserved Fund Assets, (cost)	156,773	06	
Trustees of Sinking Fund of 1875,	102,542	58	
Suspense Account, (Notes and Claims past due,)	8,508	02	
	$11,780,945	69	

Capital Stock paid in,	$5,293,552	50	
Mortgage Bonds, (including all Bonds retired in the several Funds, upon which interest is paid,)	4,915,500	00	
Income Bonds, (including Certificates unredeemed,)	14,101	57	
Fractional Certificates of Warren R. R. Stock,	1,249	23	
Renewal Funds,	335,904	29	
Bills Payable,	409,584	58	
Accounts Payable,	334,994	53	
Income Account,	476,058	99	
	$11,780,945	69	

E. E.

A. J. ODELL, Treasurer.

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